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MANUAL TO BUSINESS FORMS, CUSTOMS AND ACCOUNTS

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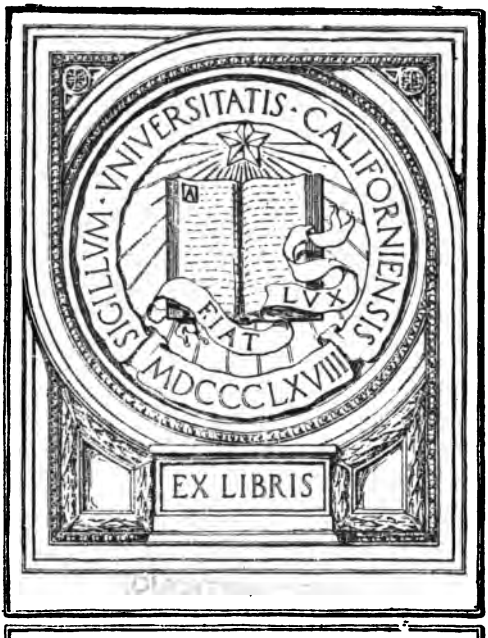

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BUSINESS

FORMS, CUSTOMS AND ACCOUNTS,

FOR

SCHOOLS AND COLLEGES.

BY

SEYMOUR EATON,

Author of "The New Arithmetic," "One Hundred Lessons in Business," etc.

EXERCISE MANUAL.

NEW YORK ·:· CINCINNATI ·:· CHICAGO

AMERICAN BOOK COMPANY

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BUSINESS FORMS, CUSTOMS AND ACCOUNTS.

LESSON I.

Commerce is the interchange of produce and manufactures between countries. Those things which are grown or made in excess of the wants of any country are exchanged for the excess of the wants of different products and manufactures in another. The term ***business*** refers more particularly to our dealings at home, that is, in our own city or country. Sometimes this name is used in connection with a particular article, as the *lumber* business, the *coal* business, or the *dry-goods* business, while the name ***commerce*** seldom admits of a limited application. In this country ***trade*** is synonymous with *business*. *Trade* may be personal while *commerce* cannot be, hence it arises that *trade* and *business* are terms generally used to express commercial transactions. The word ***traffic,*** as limited by common usage, applies more especially to the conveyance than to the exchange of products, thus we refer to *railroad* traffic, *lake* traffic, etc.

EXERCISE 1. Grocer's Order Book.

Directions.—Orders for groceries, or provisions, or meats, when given at the store or to the clerk who calls to take the order, are written in a rough book and usually with a pencil. The clerk takes the name or address and then writes the names of the articles. If the address is familiar, it is not necessary to write it each time an order is received. The prices may be written at the time or afterward. For practice the learner is advised to write the orders in ink. Abbreviate the long names. When the orders are filled, or rather when the baskets containing the articles are filled and placed in the delivery wagon, the order should be checked off on the book. This is done best by a simple check-mark with blue pencil as follows ✓. Mark "*Paid*" very plainly to the left of each cash order. Follow your instructor's directions regarding the general arrangement of the orders on the sheet.

Orders.—*Monday, June 3, 190—.* T. R. Walmsley, 55 Chatham St.; 3 lbs. Butter, 32c.; 3 lbs. Japan Tea, 55c.; 8 lbs. Pearl Tapioca, 7½c.; 6 lbs. Brown Sugar, 5c.———Dr. MacGeorge, 18 Epping St.; Colman's Mustard, ½ lb. Tin, 25c. (abbreviate this name); 6 pks. Potatoes, 27c.; 3 lbs. Butter, 32c.———S. Peterson, 22 W. 40th St.; 3 lbs. Oolong Tea, 55c.; 10 lbs. Brown Sugar, 5c. (Peterson's order is paid at the time of ordering. Mark it as directed.)———*Tuesday,*

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June 4. W. H. Sanderson, 804 Baltimore Ave.; 5 lbs. crackers, 12c.; 3 lbs. Rio Coffee, 37c.; 7 pks. Potatoes, 27c.———Wm. Williams, 18 Collingwood St.; 2 lbs. Java Coffee, 42c.; 12 lbs. Granulated Sugar, 6c.; 2 oz. Nutmeg, 8c.; ¼ lb. Cinnamon, 12c. (per qr.); 12 lbs. Graham Flour, 4½c.———Mrs. S. H. Hughes, 19 Spring Lane; 5 lb. can Cleveland Baking Powder, $1.90 (Paid).———Thomas Wallace, 96 Fairmount Ave.; 4 pks. Potatoes, 27c.; 2 lbs. Rockwood's Chocolate, 37c.———*Wednesday, June 5.* E. E. Ellis, 69 Summer St.; 5 lbs. Butter, 27c.; 2 lbs. English Breakfast Tea, 65c.; 2 pkgs. Wheatlet, 16c.; 14 lbs. Crackers, 9c.; 2 bot. Halford's Sauce, 37c.———R. W. Spiers, 205 W. Broadway; 10 lbs. Crackers, 12c.; 2 lbs. Cheese, 17c.; 4 pks. Potatoes, 27c.———Wm. McKinley, 18 Main St.; 2 doz. Lemons, 37c.; 1 Lem. Extract, 20c.; 3 doz. eggs, 18c.; 2 lbs. Rio Coffee, 37c.; 6 pks. Potatoes, 25c.; 2 cans Lima Beans, 14c. (Paid).

Supplementary Exercises.

1. A grocer's daily cash receipts for a week are as follows: $197.64, $204.35, $185.63, $276.20, $147.80, $362.70. His total credit sales for the week amount to $2496.68. Find his average daily sales.

2. A grocer bought three crates of strawberries, each containing thirty-six boxes at $2.40 a crate. What will be his entire profit if he sells the berries at the rate of two boxes for 25 cents?

3. Sugar costs 6¼ cents a pound, and a grocer sells it at the rate of thirteen pounds for $1.00. The cost price is advanced to 6¾ cents and he advances his selling price to twelve pounds for $1.00. How will the change effect his profit on each 468 lbs. of sugar?

LESSON II.

The legal medium of exchange of a country is called its ***currency,*** that which passes current, or circulates as money. The term ***money*** is used in different senses but in its common every-day significance it includes ***coin*** bearing the government stamp and ***bills*** issued or acknowledged by the government. The name ***cash*** as applied to money includes coin, bills, checks, express orders, money orders, etc. ***Circulation*** is the passing of money from hand to hand. Money which lies idle does no good to the possessor, and is of no benefit to the community. ***Bullion*** is uncoined gold or silver. A ***mint*** is a place where money is coined. The making of bills or coins by others than the government is called ***counterfeiting*** and is punishable by heavy penalties. ***Credit*** is faith or trust. To credit a man is to trust him. A trader whose credit is good can obtain goods or money, according to the requirements of his business, without the necessity of immediate payment.

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EXERCISE 2. Grocer's Cash Book.

Directions.—Every person who handles money should keep a *cash book* in which he should enter the cash received and the cash paid each day. The cash book should be *balanced* at the close of the day and an entry made for the balance on hand. The amount on hand, as shown by the cash book, should equal the amount of coin, bills, checks, etc., actually on hand. It is a common thing for a bookkeeper or a bank clerk to spend hours searching for an error of less than ten cents. The transactions given in this exercise are taken from the cash records of a grocer. Follow your instructor's directions regarding the general arrangement.

Transactions.—*January, 190—.* (Write the name of the month and the year at the top of the page.) **1.** Balance on hand, $143.96. Received $24.96 from Peter Henderson in full settlement of his account. (*Write thus: Peter Henderson paid account in full.....*) Received $10 from James Parton to apply on account. Cash sales this day, $37.43. Paid cash for 12 bu. Potatoes at 55c. Paid James Hood's wages for last week, $9.50. **2.** Received $14.80 from Dr. F. Snelgrove in full of account. Received $32.65 from E. E. Ellis to cover bill for November. Cash sales this day, $42.75. Paid S. T. Peterson & Co. on account, $50. Paid Philadelphia Biscuit Co. December bill of $19.36. Bought coal for use of store, $11.50. Bought 10 bu. Oats at 35c. for horse. Paid $2.50 for repairing delivery wagon. **3.** Received $15.00 from Williams to apply on account. Cash sales this day, $42.90. Bought office stationery for cash, $1.43. Paid my note due to-day $100 favor Hood, Smith & Co. Balance on hand, $———.

Supplementary Exercises.

4. *Write the correct abbreviations of the following names:* Alabama, Kentucky, Iowa, Quebec, California, Illinois, Ontario, Michigan, Texas, Maine, Thomas, Captain, William, General, George, Doctor, Agent, Express, Brother, Barrels, Honorable, Mistress, Account, Robert, Junior.

5. Write from memory the names and addresses of ten well-known business houses, companies, or corporations.

6. As an exercise in spelling write from memory the names of (1) twenty kinds of dry goods; (2) twenty kinds of groceries.

LESSON III.

Products when considered articles of trade, are called ***merchandise, goods, wares.*** The term *merchandise* has the widest meaning and includes all kinds of movables which are bought or sold. *Goods* is applied more particularly to the supplies of a merchant. *Wares* are goods wrought into suitable forms for industrial processes, as *glassware*, *hardware*, etc. A merchant sells his goods and a manufacturer his wares.

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Gross commonly means coarse or bulky. In commerce it is used in reference to both money and goods. The larger sum in an account or bill—that is, the sum of money before any allowances or deductions are made—is the *gross* amount. The *gross* weight of a package includes the weight of the case or wrappings. The word ***net*** is derived from a Latin word meaning neat, clean, unadulterated, and indicates the total quantity or amount of goods or money after all deductions have been made.

EXERCISES 3 and 4. Itemized Bills from Grocer.

Directions.—When a merchant sells goods on account, that is, *on credit*, he writes the order in his order book and makes out an *itemized bill*; that is, a bill giving all the items, and gives it to the person buying the goods. If the purchaser keeps a *pass book*, the grocer writes the items in this instead of in the form of a bill. If no pass book is used, a bill should be sent with each order and the monthly *statement* should contain simply the totals of the bills with the several dates. Make out bills to accompany the following sales dating them to-day.

Sale 1.—*Henry W. Hudson, 57 Front St., Germantown,* 3 cans Peaches, 28c.; 3 cans Pears, 25c.; 3 cans Cherries, 24c.; 6 lbs. Cluster Raisins, 22c.; 2 lbs. Orange Peel, 18c.; 2 lbs. Almond Nuts, 28c.; 2 cans French Peas, 27c.; 12 lbs. Granulated Sugar, 7c.; 5 lbs. Butter, 32c.; 3 lbs. Lard, 18c.; 6 lbs. Boneless Fish, 13c.; 2 cans Potted Ham, 17c.; 4 cans Hucking's Soups, 35c.; 5 lbs. Graham Biscuits, 16c.; 5 lbs. Water Biscuits, 13c.; ½ lb. Japan Tea, 54c.; 2 sacks Flour, $1.45; 2 doz. Oranges, 35c.; ½ doz. Lemons, 30c.; 6 lbs. White Sugar, 10½c.; 2 gals. Molasses, 75c.; 1 bag Salt, 18c.; 3 doz. Eggs, 26c.

Sale 2.—*John Adair, 100 St. Vincent St., West Philadelphia.* 20 lbs. Pastry Flour, 4c.; 2 lbs. Rio Coffee, 25c.; 3 qts. Mixed Pickles, 27c.; 2 lbs. Eng. Breakfast Tea, 75c.; 3 lbs. Crackers, 12c.; 2 Lem. Extract, 18c.; 1 pkg. Pepper, 25c.; 3 cans Cherries, 24c.; 1 Broom, 30c.; 4 lbs. Butter, 32c.; ½ doz. Oranges, 35c. (this will be 18c.); 2 lbs. Lard, 18c., 2 pkgs. Baking Powder, 65c.; 1 Ham, 14½ lbs, 13c.; 2 boxes Corn Starch, 12c.; 2 cans Tomatoes, 16c.; 6 cans Hucking's Soups, 35c.; 5 lbs. Cheese, 22c. Five dollars is paid on account at the time of sale. (Credit the cash payment on the bill).

Supplementary Exercises.

7. Find the cost of 3594 pounds of pork at $8.23 a hundred.

8. A produce merchant bought 1200 bags of potatoes, each containing 1⅛ bushels at 37½ cents a bushel. Allowing 13½ bushels for waste, how much will he gain by selling the potatoes at 15 cents a peck?

9. A stationer bought twelve reams of foolscap at $2.65 a ream, and sold half of it at 30 cents a quire, and the remainder at the rate of four sheets for five cents. Find his entire profit.

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LESSON IV.

Firm means solidity, establishment, strength, and in a commercial sense signifies two or more persons united in partnership for the purpose of trading. ***House*** is a word very frequently used in the same sense. In mercantile usage *house* does not mean the building in which the business is conducted, but the people who own the business. Sometimes the name includes in its significance the owners, the building, and the entire plant or stock.

A ***bank*** is a place where money is deposited for safe keeping or for convenience, or for both. When you enter a bank to ***open an account,*** inquire for the cashier, and, if convenient, take with you some one who can introduce you and identify you as the person you profess to be. The cashier will have you place your ***signature*** in a book. Your name as written in this book should be the same in style as you intend to place on your ***checks.*** Each time you ***deposit*** money you will be required to make out a deposit ticket. The bank furnishes these blanks free. The cashier will give you a small ***bank book,*** in which you will be credited with the amount of money named on your deposit ticket. When you deposit money always go to the ***receiving teller,*** and when you wish to draw out money present your check to the ***paying teller.*** When you wish to have your bank book balanced hand it to the receiving teller. This is usually done at the end of each month.

EXERCISE 5. Salesman's Order Blank.

Directions.—In many large retail stores where there are several salesmen employed, *order blanks*, similar to the form shown in the blank corresponding to this exercise, are used. Carbon duplicates are sent to the customers with the goods, and the originals are retained and turned over to the bookkeeper, so that the proper entries may be made in the books. The "27" represents the salesman's number. Copy the order below on the order blank.

Credit order for groceries.—Taken 2 p. m., Nov. 3, 190—. To be sent to Jacob R. Sleeper, 22 Tremont St., before 4 p. m. Sold by Robinson. Put up by Perkins. 2 bx. honey, 22c.; 3 lbs. Crackers, 13c.; 3 lbs. Raisins, 12c.; 2 lbs. Butter, 28c.; ½ lb. Tea, 60c.; 4 lbs. Granulated Sugar, 4½c.; 2 qts. Cranberries, 24c.

EXERCISE 6. Deposit Ticket.

Directions.—Under the word "checks" on the blank write the names of the banks upon which the checks are drawn. If a check is on a distant city, the name of the city as well as the name of the bank should be written. If the check is on a bank in a distant town, write the name of the town only. The names of banks may be abbreviated.

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Cash for deposit.—Two hundred and ten dollars in bills; fifteen silver dollars; a twenty dollar gold piece; a check on the Second National Bank of Liverpool for $47.13; a check on the Chemical National Bank of New York for $33.90; a check on the Farmers' National Bank, Columbus, O., for $25; a check on the Darby Bank, Darby, Pa., for $3.42.

A ***receipt*** is a written acknowledgment of the receipt of money or other value. It should state for what the value was received, whether on account, or in full of account, or for some particular purpose. To receipt a bill it is sufficient to mark "Paid" or "Received payment" with the date and the signature of the person receiving payment. A receipt ***in full of all demands*** is evidence of a compromise and mutual settlement of all claims between parties.

EXERCISE 7. Receipt for Borrowed Money.

On June 15, 190—, Jonathan Edwards borrowed and received from Peter Cartright the sum of $132.50, to be returned in six months with interest at 5 per cent. Write the receipt which Edwards should give Cartright.

EXERCISE 8. Ordinary Business Receipt.

Guy Mannering owes Adam Bede a bill of $67.34. On January 3, 190—, he gives him $25 to apply on account. Write a receipt for the money.

Supplementary Exercise.

10. What will be the total cost of mailing the following articles at your post-office: A letter weighing 2¼ ounces to New York City; a registered letter weighing one-half ounce to Chicago; a letter weighing three-quarter ounce to London, England; a book weighing 3½ pounds to San Francisco; a pair of gloves weighing seven ounces, by special delivery to 439 Delaware avenue, Buffalo; a bundle of newspapers weighing 10½ ounces to Springfield, Ill.; a book weighing eight ounces to Toronto, Canada?

LESSON V.

The name ***market*** expresses a locality for the sale of goods, and in commerce is often used to denote cities or even countries. We say that Boston is a leather market or New Orleans a cotton market, meaning that in Boston a large number of merchants buy and sell leather and in New Orleans a large amount of cotton is bought and sold. In its more restricted sense the name *market* signifies a building or place where meats and produce are bought and sold. We say that

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the ***market is flooded*** with a particular article when dealers are carrying more of that article than they can find sale for, or there is ***no market*** for a particular article when there is no demand for it.

EXERCISE 9. Carpenter's Bill for Labor.

On May 13, 190—, Jacob Freeman, 82 Centre St., Nashville, Tenn., carpenter, completed some work in Peter Paul & Co.'s store, 804 W. Main St. The work consisted of shelving, thirteen covered boxes, and three work-room tables. The entire material used cost Freeman $19.65. The work took him 62½ hours and he charges 40 cents an hour. Make out Freeman's bill against Peter Paul & Co. Receipt the bill for Freeman.

A ***check*** is an order for money drawn by one who has funds in the bank, payable on demand. Checks are usually made payable ***to order.*** "*Pay to the order of John Brown*" means pay to John Brown or to any person he orders the money paid to. Such checks must be ***indorsed*** by the person in whose favor they are drawn before they can be cashed. To indorse a check is to write your name on the back of it. A check drawn ***to bearer*** is payable to any person who holds it. When the person to whose order a check is drawn writes his name on the back without any modifying or restrictive words, the check is then, in effect, payable to bearer and may be collected by any person.

EXERCISE 10. Bank Check.

Directions.—Number the check and write the date carefully. In writing in the amount begin over at the left margin and write the word "***Nine,***" then draw a line after it, filling up all the space between the amount and the word "Dollars." If you write "Nine" in the middle of the line some one may *raise* the check by writing "*Fifty*" before it, making the amount *fifty-nine*, or if you fail to draw the line after the "*Nine*," the check can be *raised* to *ninety* by adding "*ty*." If some dishonest person should do this with your check and your bank should pay the *raised* amount, the loss would be yours and not the bank's. Use the same precaution in writing the amount in figures.

James Kulbertson keeps his money in the Tenth National Bank of Elmira, N. Y. He has a balance to his credit of $642.93. The last check he drew was No. 294. He owes Perkins & Peterkin $9.36 and wishes to pay them to-day by check. Put yourself in Kulbertson's place and write the check.

Supplementary Exercises.

11. Rule a form the size of an ordinary business envelope on a sheet of paper and address it to Chas. J. Peters & Son, 94 High st., Boston, Mass.

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12. On Monday morning you have cash $67.36 in your cash drawer and the balance in your bank to your credit is $432.91. During the day you receive cash $139.40 and pay out cash (coins and bills) $39.24. You deposit $122.35 and you issue two checks in payment of bills, one of $194.22 and the other of $11.26. On Tuesday morning you deposit all the cash remaining on hand. What should your bank balance be then?

13. Write a receipt for money ($13) paid you by Albert Wilkins for Robert Anderson, in part payment of the latter's account.

LESSON VI.

A man's ***resources*** consist of the money and property which he owns, and the money and value which are due him. His ***liabilities*** are what he owes. His ***present worth*** or ***net capital*** is the difference between his resources or ***assets*** and his liabilities or ***debts.*** A merchant must keep in view his resources and liabilities at the beginning of a term of business and his records must necessarily commence with lists of them. A man is ***insolvent*** when his liabilities are larger than his resources. If his credit is good he need not necessarily *go into insolvency.* Business men, whose resources are the larger, are very often forced into insolvency when collections and sales are *slow,* or when the banks refuse to lend money on the securities they offer. When a business man ***fails,*** his entire business assets are divided among his ***creditors,*** that is, among the people whom he owes, or he may, if his creditors are willing, make what is called a ***composition offer,*** paying as much as he can on each dollar. Sometimes it may not be possible or convenient to discontinue a business and dispose of its resources. Where this is the case, the creditors have a ***receiver*** appointed. Such a person *receives* all cash, and acts for the creditors as financial manager. If it is to their interest to have the proprietor continue, the creditors, through the receiver, pay him a salary for his services.

EXERCISES: Statements of Resources and Liabilities.

Directions.—Take one ruled space for each exercise. Write the name of the proprietor in the centre. Place the *resources* on the right-hand side and the *liabilities* on the left. In Exercise No. 14, for instance, the name W. B. Wheeler will be written in the centre, and on the right you will have "Cash, $936.42;" "Merchandise, $1983.20;" "Real Estate, $1731.25," and "Parker, $422.80," and on the left you will have "Baker & Co., $792.40." The difference will be written on the left side in red ink and called "Present worth, $——." The two sides should then be footed and neatly ruled up. Note that *gains* should always go on the right-hand side and *losses* on the left.

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Exercise 11—Henry Hudson has cash $936.85, and owns property valued at $673.24. Francis Drake owes him $316.25, and he owes Walter Raleigh $439.67. Find his net capital or present worth.

Exercise 12.—James Freeman has cash $5263.20, and goods valued at $3624.80. John Emerson owes him $1243.20, and he owes Jacob Sharp $2104.63. Find his net capital or present worth.

Exercise 13.—Thomas Brown commences business with cash $2000. He owes R. M. Hamilton $436.20, and Robert Bruce $393.40. Find his net capital or present worth.

Exercise 14.—W. B. Wheeler has cash $936.42, goods valued at $1983.20, and real estate valued at $1731.25. S. S. Parker owes him $422.80, and he owes Baker & Co. $792.40. Find his net capital or present worth.

Exercise 15.—James T. Field has cash $999.25, goods valued at $987.65, and real estate valued at $1246.25, when he begins business, and he owes Wm. Hares $239.20. During the year he gains $946.25, and loses $136.80. Find his present worth at the end of the year.

Exercise 16.—Wallace McMillan commences business with cash $5000. During the first year he gains $1264.90, and loses $364.90. Find his present worth at the end of the first year.

Exercise 17.—Marshall Eaton has cash $2302.40, and goods valued at $1237.24, when he begins business, and he owes Roderick Sutherland $247.22. During the year he loses $1369.80. Find his present worth or net capital at the close of the year.

Exercise 18.—J. R. Lindsay has no capital at the beginning of the year, and he owes $427.60 to Charles Brown. He gains during the year $2637.40, and loses $542.80. Find his present worth at the close of the year.

Exercise 19.—At the beginning of a certain year Richard Ball had on hand cash $924.62, and goods valued at $742.85. Robert Gilroy owed him $243.42, and he owed James Welsh $139.60. During the year he invested $763.25 additional, and withdrew $321.47. He gained $463.20, and lost $521.22. Find his present worth or net capital at closing.

Exercise 20.—Robert Boyd invested cash $1264.20 in a certain business on January 1. On May 1 he invested cash $902.40 additional. On July 1 he withdrew cash $1040.25. On November 1 he borrowed $550 from John Adair and added it to his investment. During the year he gained $426.30, and lost $93.36. Find his present worth or net capital at the end of the year.

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LESSON VII.

The primary idea of a letter is ***conversation at a distance.*** If this be kept in mind, one can scarcely fail to write appropriately, if one can converse properly; for a letter may be familiar or reserved, jocular or dignified, according to the relations between the writer and the person addressed.

Letters of ***friendship*** should be simple and natural. It is the little things, the incidents of every-day life, the home-chat which make a friendship letter interesting. Letters of ***courtesy*** include invitations, acceptances, letters of congratulation, of condolence, of introduction, and of recommendation. Letters of ***business*** include all correspondence regarding business affairs. ***Public*** letters embrace communications to newspapers regarding public affairs. Frequently a writer publishes a letter addressed to some prominent person, criticising his opinions or his actions, or putting to him a number of formal questions with the view of receiving a published reply. This is usually called an ***open letter.***

42 Hollis St.,
Newton, Mass., Aug. 16, 1900.

Mr. John Anderson,
Media, Pa.

My dear Sir:—I have this day received your favor enclosing a copy of the etc.

This form indicates a ***good style*** for beginning an ordinary business letter. Bring the "My dear Sir," over to the left so that it will be flush with the "Mr." and the left end of the second line. This is the ***most approved form,*** and it is certainly the neatest. See that your address at the top is full and complete. Write the street, or the P. O. Box, or whatever supplemental address is necessary, just above the name of your post office. If your business letter is to a ***married woman,*** say "My dear Madam" instead of "My dear Sir." If you are well acquainted with the man, drop the name and address, and write simply, "Dear Mr. Anderson," or if a woman, write "Dear Mrs. Brown." If he is younger than you, either in years or experience, or even if he is on equality and is a warm friend, you might begin "My dear Mr. Anderson." Note that when written this way "dear" is not

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written with a capital. If you are addressing a business letter to a ***young lady*** whom you do not know, simply write "Miss Kate Belmont," and begin your letter without any further introduction. If you are acquainted, either formally, or if your names are familiar one to the other, you may write "Dear Miss Belmont." Of course, when written in this way there is no other part to the salutation as in the business letter addressed to "John Anderson," when his address is given. ***Friendly letters*** to men or boys may begin "My dear Charley," or "My dear Brown." The old forms "Kind friend" or "Dear friend" are a good deal out of date. If you are addressing a business letter to a firm, write "Gentlemen" instead of "My dear Sir." Never use the vulgar contraction "Gents." ***Neatness and correctness*** are essential in all correspondence. There is no excuse for a carelessly written letter. The thought conveyed and the impression made, as in conversation, are of vastly greater importance than the arrangement, paper and ink of the letter, or the stature or attire of the speaker. It is better, however, to use forms of arrangement and styles of paper in harmony with the best usage.

There are towns and cities in different States and Provinces which have ***the same name.*** In writing from any such, even though it be a large and well-known place, be careful to add the name of the State or Province. Better put your ***street and number*** on every letter. Your correspondent does not want to spend an hour looking for an old letter containing your address. ***Don't crowd*** your letter. Leave a good inch at the top of the sheet perfectly blank.

Titles should not be omitted, but they should be used sparingly. "Mr." is good enough for anybody from the President down. Never put on a title at each end or more than one at either end. The salutation of letters addressed to ***public officers*** should be quite formal if the letters relate to public affairs. In such letters the address is usually put at the close.

Keep the margins of your letter even. Don't make many ***paragraphs.*** When a new paragraph is necessary, it should begin directly on a line with the first word of the body of the letter. Learn to write straight on ***unruled paper.***

The closing words should not be more familiar than the salutation, and, like the words of the salutation, they depend upon the relation between the two persons. "*Respectfully yours*," "*Very truly yours*," "*Yours cordially*," etc., are the usual closing words of formal correspondence. Letters of friendship admit of less formal terms. The ***first word only*** of the complimentary close should begin with a capital.

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Write your ***signature plainly.*** Your friends may be very familiar with your dashing ink lines, but the man who sees the name for the first time may have considerable difficulty in transforming it correctly into readable script.

Instant.—The abbreviated form is *inst.* In correspondence this word means *present month.*

Ultimo.—The abbreviated form is *ult.* In correspondence this Latin word means *the month last past.*

Proximo.—The abbreviated form is *prox.* In correspondence this Latin word means *next* or *coming month.*

Thirty thousand misdirected letters reach the dead letter office at Washington daily. The public need to be educated along this line. In ***addressing an envelope*** write first the name, then the post office, then the State. If additional matter, such as street, or box, or county, is necessary, put it at the lower left-hand corner. Even in the case of large cities, it is necessary to write the name of the State, for there are in the United States, five New Yorks, nine Philadelphias, and twelve Bostons. Be particularly careful in writing the abbreviations of States. Thus N. Y. may easily be taken for N. J.; Pa. for Va.; Cal. for Col.; Md. for Ind.; Me. for Mo. Mail intended for people who will be in a place only a day or two should have the word ***"Transient"*** added to the address to distinguish it from permanent residents. Write it in the upper left-hand corner and enclose in brackets. Always put the stamp in the upper-right hand corner. Letters to be registered must have the name and address of the sender on the envelope.

In ***ordering goods*** complete shipping directions should always be given. In advising of the shipment of goods, the name of the transportation company should be given.

EXERCISE 21. Business Correspondence.

Write a letter to the wholesale dry goods house of Pancroft, Perth & Co., 397 Madison Ave., New York City, ordering five pieces No. 2460 Black Dress Velvet, four pieces No. 1263 Black Satin, thirteen pieces No. 843 C. L. Gingham, twelve pieces No. 924 Black Dress Silk. State that these are the same as goods ordered through their traveler on a certain date (give date) last year. Ask to ship by Merchants' Dispatch at earliest date. Expect usual discount and time. Sign the letter for your firm.

Supplementary Exercises.

14. As an exercise in composition, give in your own words and as fully as possible, three laws of the country.

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15. Find the cost of painting the floor of a hall, 62½ feet long by 45 feet wide, at 13½ cents a square yard.

16. Place capitals, where necessary, in the following sentences:

easter sunday comes in april and thanksgiving in november.
he works at the office of the ætna life insurance company.
we went west by the new york central railway.
pekin is the capital of the empire of China.

17. July begins on Saturday. Draw up a neat calendar for this month.

LESSON VIII.

As regards the quantity of goods bought or sold in a single transaction, trade is divided into ***wholesale*** and ***retail.*** Trade is said to be wholesale when goods are bought or sold in large quantities. The wholesale dealer sells to other dealers while the retail dealer sells to the ***consumer,*** that is, the person who *consumes* or uses the goods. An ***importer*** brings goods from foreign countries. A ***jobber*** is one who buys from importers and manufacturers and sells to retailers. He is constantly in the market for bargains. The names jobber and wholesaler are often used in the same sense. ***Wholesale*** has reference to the quantity the dealer sells, and not to the source from which he buys, or to the party to whom he sells. The wholesaler deals in ***staples*** (that is, goods which are used season after season; regular), while the jobber looks for ***job-lots,*** that is, a a limited or remaining lot which is sold cheap to clear up the stock. ***Quotation*** is the statement of prices. An intending purchaser of goods which are accustomed to vary in value will ask the merchant to quote prices. Material before it is manufactured, such as wool, cotton, leather, is called ***raw material.*** A large variety of manufactured products and also raw material are sold to the ***trade*** (those who trade, that is, buy and sell) through ***correspondents*** in trade centres. These correspondents are known as ***commission merchants.***

EXERCISE 22. Market Order Book.

Directions.—The order book for a *meat* or *provision market* should be kept in the same form as that of a grocer. In abbreviating long names be careful to write intelligible abbreviations. To find the total sales for the day draw a pencil line around the amounts of the cash orders, foot up the others, and add the total to the cash sales. If the order is sent *C. O. D.* (collect on delivery), write these letters at the left. C. O. D. orders should be considered *paid* unless the man who delivers the order reports to the contrary. A receipted bill should accompany each C. O. D. order.

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Orders.—*Monday, June 5, 190—.* James Stevenson, 42 Homer Ave.; 3½ lbs. Round Steak, 24c.; 1 bu. Potatoes, 45c.; 1 box Strawberries, 18c.; 1 can Tomatoes, 14c ———Dr. MacGeorge, 18 Epping St.; 2½ lbs. Lamb Chops, 18c.; Pair of Chickens, 7½ lbs, 14c.; 2 boxes Strawberries, 35c. (for the two); 2 bunches Celery, 12c.——— *Tuesday, June 6.* T. R. Walmsley, 55 Chatham St.; 3 lbs. Sirloin Steak, 24c.; 2 bu. Potatoes, 45c.; 1 box Strawberries, 18c.; 2 qts. Green Peas, 12c.; ½ lb. Suet, 12c.———Thos. Wallace, 18 Griersville Terrace; Rib Roast, 7½ lbs., 18c.; Pair of Chickens, 8 lbs., 14c. (C. O. D.). ———Mrs. S. H. Hughes, 19 Spring Lane; Ham, 13½ lbs., 14c. (Paid).——— *Wednesday, June 7.* W. H. Sanderson, 804 Baltimore Ave.; 2 boxes Strawberries, 35c.; Leg of Lamb, 7½ lbs., 18c.; 2 lbs. Head Cheese, 12c.; 2 gal. pl. Mixed Pickles, $1.40; 2 bot. Halford's Sauce, 37c.———Wm. Williams, 18 Collingwood St.; 4 lbs. Veal Cutlet, 22c.———Wm. McKinley, 18 Main St.; 3½ lbs. Pork Chops, 18c.; 2 qts. Green Peas, 12c.; 2 lbs. Corned Beef, 8c.; 3 lbs. Lard, 14c.; Turkey, 8½ lbs., 18c.; 2 cans Lima Beans, 14c.——— *Thursday, June 8.* E. E. Ellis, 69 Summer St.; 3½ lbs. Tenderloin, 27c.; 6 pks. Potatoes, 15c.; Pair of Chickens, 9 lbs, 14c.; 1 box Strawberries, 18c. (Paid). ———Dr. F. Snelgrove, 18 Windsor Terrace; **Leg of Lamb, 8½ lbs., 18c.; 3 lbs. Sausage, 14c.**

Supplementary Exercises.

18. James Anderson invested cash $964.32 on January 1. At the same time he owed $490.40. During the year his debt increased to $736.40, and at the close of the year he found that his total resources, including cash on hand, amounted to $1234.80. *Find his present worth at the close of the year.*

19. On Friday morning you have cash $93.42 in your cash drawer, and the balance in your bank to your credit is $564.83. During the day you receive cash $146.85 and pay out cash (coins and bills) $43.66. You deposit $131.49, and you issue two checks in payment of bills, one of $201.33 and the other $7.90. On Saturday morning you deposit all the cash remaining on hand. What should your bank balance be then?

20. Find the cost of 13¼ pounds of spice at 3½ cents an ounce.

LESSON IX.

Valuation is the appraisement, or finding out of the present worth of a thing. It differs from price, for a thing may be bought at an extravagant price, and could be sold only at a loss. Wrong estimates are ruinous, and it is better to see the truth than to continue an enterprise on a mistaken basis. Merchants value their goods, or as they call it, ***take stock,*** usually at that period of the year when the smallest quantity is on hand.

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EXERCISES. Statements of Losses and Gains.

Directions.—The difference between the cost of anything and the price at which it is sold is a *gain* or a *loss*—a gain when the selling price is the greater and a loss when the cost is the greater. The name ***Inventory*** is given to the list (and prices) of the goods remaining unsold at the end of the year when the merchant takes stock. Use red ink in ruling and in writing in the inventory and the gain or loss. Take Exercise 25 for illustration. Write the name "Hardware" in the centre. On the left-hand side write "On hand, $963.24;" "Bought, $764.39," and on the right-hand side write, "Sold, $1036.72;" "Inventory, $964.27, Then, on the left-hand (smaller) side, write, "Gain, $——," for the difference. If the right-hand side were the smaller; that is, if the business produced less than it cost, it would show a *loss*.

Exercise 23.—Dry Goods. Value of dry goods on hand Jan. 1, $2372.20. Bought during the year dry goods costing $3468.37. Sold during the year dry goods for $4672.89. Dry goods on hand Dec. 31, valued at $3242.80. Find the gain or loss on dry goods.

Exercise 24.—Drugs. Value of drugs on hand Jan. 1, $2034.20. Bought during the year drugs costing $1937.20. Received for drugs sold during the year $2763.43. On hand at the close of the year drugs valued at $1895.62. Find the gain or loss on drugs.

Exercise 25.—Hardware. Value of hardware on hand Jan. 1, $963.24. Bought during the year hardware costing $764.39. Sold during the year hardware for $1036.72. Value of hardware remaining unsold Dec. 31 estimated at cost $964.27. Find the gain or loss on hardware.

Exercise 26.—Real Estate. Value of property owned Jan. 1, $6984.25. Bought during the year property costing $2043.27. Built houses on property at a cost of $4637.54. Sold during the year property for $7327.89. Value of property remaining unsold Dec. 31, $8950. Find the gain or loss on real estate.

Exercise 27.—Grain. Value of grain on hand Jan. 1, $1298.42. Bought during the year grain costing $9462.80. Total sales of grain during the year amounted to $7684.25. Lost by fire grain valued at $1004.25. Received insurance $850. Value of grain remaining on hand Dec. 31, $2494.20. Find the gain or loss on grain.

Exercise 28.—Groceries. Value of groceries in store Jan. 1, $924.37. Cost of all purchases during the year $643.29. Amount of all sales during the year $1243.67. Stock sheet shows value of groceries on hand, Dec. 31, to be $67.82. Find the gain or loss on the year's sales. (This exercise will show a loss. Write the word *loss* with the amount on the right-hand side.)

Exercise 29.—Provisions. None on hand Jan. 1. Total purchases for the year $3684.20. Total sales for the year $2946.20. Inventory, Dec. 31, $1998.63. General expenses for the year $246.80. Find the gain or loss on provisions.

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Exercise 30.—Furniture. None on hand Jan. 1. Total purchases for the year $2472.93. Total sales for the year $1362.80. Inventory, Dec. 31, $960.40. General expenses for the year $324.20. Find the gain or loss on furniture.

Exercise 31.—Books and Stationery. Value of stock Jan. 1, $3642.22. Total purchases during the year $6362.40. Total sales during the year $9640.25. None on hand Dec. 31. Expenses of the year $563.39. Find the gain or loss on books and stationery.

Exercise 32.—Real Estate. Value of property Jan. 1, $7642.93. Bought property during the year costing $3724.60, and sold property for $8329.20. Added buildings at a cost of $4268.30. House valued at $1200 destroyed by fire. Received insurance $1000. Expenses of sales $137.25. Rents received $724.60. Paid taxes $194.25. Value of property Dec. 31, $12,632. Find the gain or loss on real estate.

LESSON X.

A ***sale*** is a transaction whereby the property or goods of one person is transferred to another for a money or other consideration. A ***business transaction*** is an exchange of value or values and necessitates a transfer of ownership. A ***debtor*** is one who receives value (gets in debt) and a ***creditor*** is one who delivers value (gives credit). An expression of value received is called a ***debit*** and of value delivered is called a ***credit.*** An ***account*** is a record of debits and credits under a proper title in a final book of entry called the ***ledger.*** The debits are written on the left side and the credits on the right side. *To debit* a man means to charge him; *to debit* an account means to charge the amount to that particular account. *To credit* means literally to give credit. The *principles of debit and credit* are conveniently set forth in the following six rules:

Debit *1, the person or firm receiving value from you.*
2, the account representing what you receive.
3, the account representing what is a loss to you.

Credit *4, the person or firm who delivers value to you.*
5, the account representing what you deliver to others.
6, the account representing what is gain to you.

The ***proprietor*** should be credited with each resource and debited (charged) with each liability when beginning business. He should be credited with additional sums invested and debited with any sums withdrawn for private use.

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EXERCISE 33. Ledger Practice. Double Entry.

Directions.—The fifteen transactions given here extend over a period of one month and represent the business done during that month. A record of these is supposed to have been made in your *day-book*. The day-book record is simply a copy of the transaction with the date and amount. You are now expected to transfer these transactions to a double-entry ledger.

Jan. 1.—(Student) commenced business investing cash $904.25.

Directions.—Write your own name over the first account. Write "Cash" over the account directly under yours. Credit yourself with your investment; that is, write $904.25, preceded by the date, on the credit side of your account. Debit the cash account with the same amount. Note that we debit the cash account for all cash on hand and for each item of cash received, and we credit the cash account for each item of cash paid. Write nothing in the space between the date column and the money column. Notice that there are spaces for ten accounts.

Jan. 3.—Paid office expenses in cash $42.80.

Directions.—Write the name "Expense" over the third account. Credit the cash account with $42.80, and debit the expense account with the same amount. Remember that *to debit* means *to charge*. To debit expense is to charge to expense.

Jan. 6.—Lent cash $100 to James Lincoln, returnable on demand.

Directions.—Write "James Lincoln" over the fourth account. Credit the cash account because cash has been paid, and debit or *charge* James Lincoln.

Jan. 7.—Bought for cash merchandise costing $590.45.

Directions.—Write the name "Merchandise" over the next account. Credit the cash account because cash has been paid, and debit the merchandise account, because merchandise has been received. The cash account represents the cash-drawer; the merchandise account represents the store or warehouse. We in reality *charge* (debit) the cash-drawer with the cash received (put into it), and the warehouse with the merchandise received (stored there).

Jan. 9.—Sold merchandise for cash $436.25.

Directions.—This is the opposite to the transaction of January 7. Cash is received and merchandise is disposed of. We credit the merchandise account (warehouse) with all the merchandise sold.

Jan. 10.—Bought on credit from Robert Garfield merchandise invoiced at $622.95.

Directions.—Open an account with Robert Garfield. The goods are bought on account; that is, an entry of them is made *in an account*. The merchandise account is debited and Robert Garfield is credited. We write the amount (with the date) on the credit side of his account. We give him *credit* for the value he gives us and for which we have as yet given nothing in return.

Jan. 12.—Sold merchandise invoiced at $364.25 on credit to James Arthur.

Directions.—Open an account with James Arthur. Debit (charge) him with the value he received. Credit the merchandise account (warehouse). Notice that every entry is made twice. This is why this method of keeping accounts is called *double entry*.

Jan. 14.—Paid a wages bill of $27.30 in merchandise from the store.

Directions.—Write the name "Wages" over the next account. This is an expense item and might go in the expense account. Credit the merchandise account and debit (charge) the wages account.

Jan. 15.—James Lincoln returned $50 of the money borrowed.

Jan. 17.—Sold for cash merchandise valued at $67.33.

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Jan. 20.—Paid Robert Garfield cash to apply on account, $254.25.

Directions.—Here value is received by Robert Garfield and he is debited (charged) with the amount. The cash account is credited.

Jan. 21.—Received from James Arthur cash $250 to apply on account.

Jan. 22.—Bought for cash merchandise costing $364.20.

Jan. 27.—Sold merchandise invoiced at $421.40 on credit to James Arthur.

Jan. 30.—Paid a wages bill of $12 in cash.

Directions.—When all the ledger entries have been made, the next step is to make out what is called a *trial balance*. This is simply a statement of the total debits and total credits in the several accounts. Write it on the back of the ledger sheet. The total debits should equal the total credits. The correct trial

Debits.		TRIAL BALANCE.	Credits.	
—	—	(Student)	904	25
1707	83	Cash	1363	70
42	80	Expense	—	—
100	—	James Lincoln	50	—
1577	60	Merchandise	1316	53
254	25	Robert Garfield	622	95
785	65	James Arthur	250	—
39	30	Wages	—	—
4507	43		4507	43

balance of this ledger exercise is given here. A merchant cannot find his gain or loss without *taking stock*; that is, valuing, usually at cost prices, the goods remaining unsold. The list of such goods, with prices, is called the stock sheet or *inventory*. Suppose that on January 31 you take stock and find on hand (unsold) merchandise valued at *$743.17*. Now open an account called "Loss and Gain," and another called "Resources and Liabilities" and proceed to close the ledger accounts.

Directions for Closing the Ledger.

Begin by entering the inventory in the merchandise account. It will appear on the right-hand side in *red ink*, as follows: "January 31. Resource, $743.17." Now find the gain or loss on merchandise. In this instance it is a gain of $482.10. This will be written, in *red ink*, on the left-hand side, as follows: "January 31. Gain, $482.10." If the account had shown a loss, the entry would have been on the right-hand side. The merchandise account should now be ruled up as shown here. Remember to make these closing entries in red ink:

MERCHANDISE.

Jan.	7		590	45	Jan.	9		436	25
"	10		622	95	"	12		364	25
"	22		364	20	"	14		27	30
					"	17		67	33
					"	27		421	40
"	31	*Gain*	*482*	*10*	"	*31*	*Resource*	*743*	*77*
			2059	70				2059	70

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The cash account may be closed next. On the credit side write "January 31. Resource, $——" (in red ink) for the amount of cash on hand and rule up the account. Close the expense account by writing "January 31. Loss, $——" (in red ink) on the right-hand side for the difference. Wages account is closed in the same way. To close James Lincoln's account, write on the right-hand side "January 31. Resource, $50" (in red ink). This shows that he owes us this amount. The closing entry of James Arthur's account will be similar. To close Robert Garfield's account, write on the left-hand side "January 31. Liability, $368.70" (in red ink). This shows that we owe him this amount. Put down the totals in each instance, making the sides of each account *balance*. Now gather together your gains and losses and enter them in the loss and gain account, the losses on the left and the gains on the right. Note that when you transfer any item from one account to another, it is always carried to the opposite side of the other account. All the entries in this account, except the closing entry, "Net

LOSS AND GAIN.

Jan.	31	Expense	42	80	Jan.	31	Merchandise .	482	10
"	"	Wages	39	30					
"	"	*Net Gain* . . .	*400*	—					
			482	10				482	10

Gain" are entered in *black ink*. The closing entry, like the closing entries in other accounts, is entered in red ink. The net gain is now carried to the proprietor's (student's) account and entered on the right-hand side, in *red ink*, as follows: "January 31. Net Gain, $400." You were worth $904.25 at the beginning of the month and you have gained $400, so that your *present worth* now is $1304.25. You, therefore, write on the left side of your own account, in red ink, "January 31. Present worth, $1304.25." But the difference between your resources and liabilities should also be your present worth, and to prove the correctness of your work you gather together your resources and liabilities and enter them in the resource and liability account, the resources at the left and the liabilities at the right. This account, when closed, should appear as shown below. Write the closing entry in red and the others in black ink. Note that the present worth appears on the left side of the proprietor's account and on the right side of this. This carries out the principle that an item which appears in two accounts will appear on the opposite sides of those accounts.

RESOURCES AND LIABILITIES.

Jan.	31	Cash	344	13	Jan.	31	Robert Garfield	368	70
"	"	Merchandise .	743	17					
"	"	James Lincoln	50	—					
"	"	James Arthur .	535	65	"	"	*Present worth* .	*1304*	*25*
			1672	95				1672	95

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LESSON XI.

EXERCISE 34. Ledger Practice Double Entry.

Directions.—Enter these transactions in ledger form, make out a trial balance, and close the accounts as in Exercise 33. Your net gain should be $126.34, and your present worth $1019.74.

Feb. 1.—(Student) commenced business investing cash $893.40.
Feb. 2.—Paid office expenses in cash $52.24.
Feb. 5.—Paid rent of store (charge to expense) for one month in cash $27.50.
Feb. 7.—Borrowed $200 cash from Peter Simple.
Feb. 9.—Bought for cash merchandise costing $915.65.
Feb. 12.—Sold merchandise for cash $625.37.
Feb. 14.—Bought on credit from Luke Sharp merchandise invoiced at $734.80.
Feb. 17.—Sold merchandise invoiced at $832.27 on credit to John Pluck.
Feb. 19.—Paid a wages bill of $32.50 in merchandise from the store.
Feb. 20.—Received from John Pluck cash $750 to apply on account.
Feb. 21.—Returned $125 of the money borrowed on the 7th.
Feb. 24.—Sold for cash merchandise valued at $76.25.
Feb. 25.—Paid Luke Sharp cash to apply on account $463.90.
Feb. 26.—Bought for cash merchandise costing $97.36.

Inventory: Merchandise on hand valued at $420.

LESSON XII.

The *natural resources* of a country are mainly the mineral commodities and agricultural produce that it yields. The positions and industries of cities are usually fixed by natural conditions, but the most powerful agent is the personal energy of enterprising and persevering men who, by superior education, or scientific knowledge, or practical foresight, have often been able to found *industrial centres* in situations which no geographical considerations would suggest or explain.

EXERCISE 35. Furniture Bill.

Directions.—No business form is more common than that of a *bill*. The ordinary ruling is the same as that shown on the accompanying blank. Sometimes

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a price column is ruled at the left of the first money column, but ordinarily the price is written there without any line separating it from the name of the article. The name ***invoice*** is given to a bill from one merchant to another.

Items.—On July 14, 190—, Parsons & Richardson, 22d and Broadway, New York City, sold John Higgins, 963 Madison Ave., on account the following: 1 antique ¾-bed, $3.75; 1 husk ¾-mattress, $2.75; 5 yds. oil cloth at 45c.; 6 cane chairs at $2.75; 37½ yds. straw matting at 42c.; 1 kitchen table, $2; 3 yds. linoleum at $1.12; 1 antique chair, $4.25. Ten dollars paid on account at time of ordering. Make out the bill to be given Higgins.

EXERCISE 36. Monthly Statement.

Directions.—Business houses send out ***statements*** to their customers on the first of each month. These statements *state* the amounts due without giving the particular items as given in the original bills.

Make out a statement to be sent August 1 to John Higgins by Parsons & Richardson. Higgins pays the balance due on August 5. Receipt the statement. (Note.—Higgins should bring the original bill when he makes settlement. He could then destroy the statement and he would have all the particulars and the receipt upon one paper.)

Supplementary Exercises.

21. Find the cost of the linoleum 4 feet wide at $1.12½ a yard, necessary to cover a floor 17½ feet by 16 feet.

22. How many yards of carpet 27 inches wide will be required for a hall 13 feet 3 inches wide by 36 feet long?

23. A man has no capital. He borrows $2500 with which he does business for one year. At the end of the year his total resources are $7469, and his total liabilities are $3684. Find his net gain.

24. If 2¾ yards of cloth are worth $23.10, what is the value of 16⅞ yards at the same rate?

LESSON XIII.

Although a merchant's ***account books*** are his private records, they should be kept honestly and in good faith. They should bear the scrutiny of creditors, if it become expedient or necessary. There should be no blots, erasures, over-writing, tearing out leaves, nor anything to throw suspicion upon them. If ***errors*** are made, they should be so corrected as to show the original error, and the reasons for its correction. Account books should be sufficiently plain and

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clear as to be understood at once by the stranger who sees them for the first time. ***Original entries*** should be records of actual transactions made upon the day of their occurrence, in a plain, intelligible manner. The quantity, quality, weight, measure, number, name, size, price, or any other essential designation of the thing sold, should be clearly stated. Alterations or erasures in the original records of transactions will prevent their admission as ***evidence*** in court, unless such alterations can be satisfactorily explained.

LESSON XIV.

EXERCISE 37. Ledger Practice Double Entry.

Directions.—Note that when commencing business the proprietor always credits himself with his resources and debits (charges) himself with his liabilities. Enter these transactions in ledger form, make out a trial balance, and then close the accounts according to the directions already given. Your net loss should be $415.03, and your present worth $1311.92.

Mar. 1.—Commenced business with

Resources: Cash on hand $1200.
Merchandise on hand $849.30.
Liabilities: We owe Robert Perry $322.35.

Mar. 3.—Bought for cash merchandise costing $722.90.

Mar. 5.—Sold Paul Rubens merchandise valued at $936.39 and received in payment cash $720; balance on account.

Mar. 8.—Paid office expenses in cash $31.40.

Mar. 10.—Paid Robert Perry cash on account $193.50.

Mar. 13.—Bought of Robert Perry merchandise invoiced at $804.20; gave in payment cash $495; balance on account.

Mar. 16.—Paid a wages bill of $17 in goods from the store.

Mar. 18.—Cash sales of merchandise this day $75.20.

Mar. 23.—Paul Rubens paid cash on account $100.

Mar. 24.—Bought of Robert Perry on account merchandise invoiced at $64.85.

Mar. 26.—Lost cash $1.37.

Mar. 27.—Sold Paul Rubens on account merchandise valued at $72.40.

Mar. 30.—Paid rent of store for month of March in cash $25.

Inventory: Merchandise on hand valued at $1000.

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LESSON XV.

Commission merchants receive and sell goods belonging to others for a compensation called a commission. A ***shipping merchant*** is a person engaged in buying goods and shipping them to others to be sold. A ***selling agent*** is a person who represents a manufacturing establishment in its dealings with the trade. Its factory may be located in a small town while the selling agent has his office and samples in the heart of a great city. The selling agent forwards the orders to the factory where the goods are shipped and accounts kept.

EXERCISE 38. Telegraphic Order.

Directions.—If the telegraphic message is a very important one, it is well to have it ***repeated,*** that is, telegraphed back to the originating office for comparison. One half of the regular rate additional is charged for this. The telegraph companies will not be responsible for mistakes or delays in the transmission or delivery of unrepeated messages. Remember that letters such as C. O. D., or figures as 347 will each be considered *three words* in reckoning the cost of the telegram. There is no charge for the address of the person to whom the telegram is sent or for the signature of the sender.

The German-American Institute, 243 River Ave., Pittsburgh, Pa., wires the Educational Book Co., 241 Clinton Pl., New York City, for one hundred and twenty-five copies of Brown's Junior Class Book of Chemistry, to be sent by express C. O. D. Write the telegram using only ten words.

EXERCISE 39. Bookseller's Invoice.

Directions.—Invoices to accompany goods sent by express C. O. D. should be made out in duplicate. The letters C. O. D. should follow "TERMS:" and one invoice should be marked "Duplicate," and should be given to the express company (in an envelope but unsealed), with the goods. The other, or *original*, should be sent by mail to the purchaser.

Make out an invoice to accompany the books ordered by telegram in the preceding exercise.

Supplementary Exercises.

25. Prepare a deposit slip for a bank, the deposit to include coin, bank notes, three local and two out-of-town checks, and an express order.

26. Rule off a square on your paper the size of a *business* card, and write or print neatly in it such matter as you think would make a suitable business card for any business with which you are familiar.

27. For what do the following abbreviations stand: *Prox.*, *ultimo*, *i. e.*, *MSS.*, *pro tem.*, *viz.*, # ?

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LESSON XVI.

Be ***prompt*** in answering all correspondence, specially so in answering business letters and in acknowledging favors. ***Paragraph*** and punctuate your letters carefully. Except you are writing about two or more decidedly different subjects the entire letter should be written in one paragraph. Avoid blots, erasures, and interlineations. In ***official correspondence*** it is better to address the office than the officer, as "To the Secretary of the Navy, etc., Sir:" instead of "To the Hon. B——— K———." In ***ordering*** goods state explicitly the amount, kind, etc., and on what terms wanted. Always state in your letter the amount of money you send and in what form you send it. ***Business letters*** should be clear, brief, direct, and gentlemanly. Everything irrelevant to the business in hand should be excluded. Every business man should keep an exact copy of all business letters which he sends, and file all business letters which he receives.

EXERCISE 40. Business Correspondence.

Homer Hanscomb, of Beaver Mills, Pa., is just opening business for himself in this small country town. He wishes to trade largely with the Berwick Store Association, Ltd., of Berwick, Pa. He writes to them stating these facts. He says that his capital is limited, but he has no debts and gives good references. He sends an order for goods the invoice for which amounts to $836.40. He asks three months' credit. As correspondent for the Berwick Store Association answer this letter. State that order is filled and tell how goods are shipped. Arrange your own terms and give particulars. State when your traveler will call and any other particulars which you think necessary.

LESSON XVII.

The manufacture of ***paper*** forms one of the most important industries of the United States. Paper is usually put up in ***reams*** and ***bundles,*** and sold by the pound. The price per pound varies from 3 cents for ordinary newspaper stock to 20 cents or more for good writing paper. Good book or magazine paper can be bought for from 6 to 7 cents a pound. The ***weight*** of paper is given in pounds per ream and the ***size*** is given in inches, as 22 by 28, 24 by 36, etc. There are 480 sheets in a ream and two reams in a bundle.

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EXERCISE 41. Paper Invoice.

The Wallace Paper Company, 391 Federal St., Chicago, on June 19, 19—, sold J. G. Watson & Co., Chicago, the following bill of paper: 2 Rms. Cream Laid, 24 × 28, 60 lbs., 6½c.; 3½ Rms. Ledger, 18 × 22, 30 lbs., 12c.; 14¼ Rms, Machine Finish, 28 × 36, 70 lbs., 6¾c.; 12¼ Rms. Laid Cover, 22 × 28, 50 lbs., 9c.; 48½ Rms. White Laid, 36 × 42, 80 lbs., 6¼c.; 2½ Rms. Bond, 18 × 22, 20 lbs., 14c.; 6 Rms. Manilla, 22 × 28, 40 lbs., 5c.; 16½ Rms. White News, 36 × 40, 40 lbs., 4½c.; 3½ Rms, Linen, 16 × 20, 18 lbs., 15c. Cartage $4.35. Make out the invoice for The Wallace Paper Company.

In ***indorsing checks*** note the following points: 1. Write across the back—not lengthwise. 2. Don't indorse wrong-end-up. The top of the back is the left end of the face. 3. Write your name in the same way as it appears on the face. For instance, if the check is payable to *W. Brown*, indorse *W. Brown;* if to *Wm. Brown*, write *Wm. Brown.* If the spelling of your name is wrong, indorse twice, first as written on the face and then correctly. 4. If you are depositing the check write "For deposit" over your indorsement. This is not necessary, but if the check should be lost before it is deposited the finder will be unable to collect the amount which he might be able to do if it were simply indorsed *in blank*, that is, with your name only. 5. If you wish to make the check payable to some particular person by indorsing, write "*Pay to* (NAME) *or order*," and under this write your own name as written on the face. Do not carry around indorsed checks loosely. Such checks are payable to bearer and may be collected by any one. If you receive a check which has been transferred to you by a *blank* indorsement and you wish to hold it a day or two, write over the indorsement the words "*Pay to the order of* (YOURSELF.)." This is allowable legally. The check cannot then be collected until you indorse it. You may stop payment of your check any time before it is presented at the bank by notifying the paying teller not to pay it. If you have deposited a check and it is returned through your bank marked "No funds," it signifies that the check is worthless and that the person upon whose account it was drawn has no funds to meet it. The best thing to do in such a case is to hold the *protested* check as evidence of the debt and write the person who sent it to you giving particulars and asking for an explanation.

EXERCISE 42. Bank Check.

Guy Mannering keeps his money in the West Philadelphia Bank. His last check drawn was No. 409. He writes a check for $3.37 in favor of Walter Scott. Scott indorses the check transferring it to Robert Roy. Write the check including indorsement.

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Supplementary Exercises.

28. A manufacturing concern desires to issue 5000 copies of a sixteen page catalogue. The catalogue page measures 7 × 12 untrimmed. They buy 24 × 28, 60 lb. paper at 6½c. The composition (setting of type) costs $3 a page, the press-work $2.50 per M., and the binding $2 per M. Find the entire cost of the catalogues.

29. On Monday morning you have cash $79.42 in your cash drawer, and the balance in your bank to your credit is $704.95. During the day you receive bills and silver $496.80, and a check for $49.36, and you pay out in cash (bills and silver) $102.93. You deposit $346.20, and you issue three checks ($47.93; $168.40; $3.96) in payment of bills. On Tuesday morning you deposit all the money remaining on hand. What should your bank balance be then?

LESSON XVIII.

Wholesale dealers send out ***travelers, or drummers***, who carry ***samples*** of the goods for sale. Frequently the traveler starts out with his samples from six months to a year in advance of the time of delivery. It is quite a common thing for the retailer to order from samples, merchandise which at the time of placing the order may not even be manufactured. Goods ***on approval*** means that the buyer intends reserving the right of accepting or refusing the bargain upon examination of the goods.

EXERCISES: Statements of Losses and Gains.

Exercise 43.—Provisions. Value of provisions on hand Jan. 1, $2468.30. Bought during the year for cash provisions costing $1362.93. Bought on credit provisions costing $2406.25. Cash sales during the year amounted to $2468.36. Credit sales during the year amounted to $2014.32. Gross expenses $426.37. Accounts against others which cannot be collected $213.47. Value of provisions remaining on hand Dec. 31, $2469.34. Make out a financial statement showing the gain or loss.

Exercise 44.—Dry Goods. Value of dry goods on hand Jan. 1, $2043.20. Bought during the year dry goods costing $1427.25. Sold during the year dry goods for $3005.65. Lost by fire dry goods valued at $204.30, upon which insurance $150 was received. Value of dry goods on hand Dec 31, $804.37. Make out a financial statement showing the gain or loss.

Exercise 45.—Groceries. Value of groceries on hand Jan. 1, $3256.80. Cash on hand, $1396.75. Accounts due us amounting to $369.45. Accounts which we owe amounting to $732.37. On Dec. 31 we have on hand groceries valued at $2468.22 and cash $1693.25. We owe accounts amounting to $760.55, and others owe us $2694.23. Our gross expenses for the year were $727.37. Make out a financial statement showing the gain or loss.

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Exercise 46.—Hardware. Borrowed $5000 Jan. 1 to invest in hardware. Gross purchases of hardware during the year amounted to $9846.25, and gross sales to $7634.30. On Dec. 31 we owe accounts (exclusive of money borrowed) amounting to $2463.90, and others owe us $4256.37. We have cash on hand $3684.25 and hardware $2684.25. Make out a statement showing our financial condition Dec. 31.

Exercise 47.—Lumber. Value of lumber and logs on hand Jan. 1, $3247.20. Bought during the year logs at a cost of $2468.34. Manufactured lumber valued at $3946.90 at an expense for labor of $932.60. Other expenses $137.35. Sold lumber during the year for $3124.37. Lumber and logs on hand at the end of the year valued at $3020. Make out a financial statement showing the gain or loss.

Exercise 48.—Silks. Value of silks and raw material on hand Jan. 1, $976.93. Bought during the year raw material costing $1372.43. Manufactured during the year silks valued at $1724.80 at an expense for labor, etc., of $322.90. Sold during the year silks for $2090.20. On hand at the close of the year raw material valued at $736.80 and silks valued at $839.45. Make out a financial statement showing the gain or loss.

Exercise 49.—Canned Fruits. Value of merchandise on hand Jan. 1, $2003.25. Cash on hand Jan. 1, $724.30. Others owe us $836.95 and we owe others $724.26. At the end of the year we have on hand merchandise $1632.40 and cash $3421.26. We owe on account $936.29 and have accounts in our favor amounting to $2693.35. Accounts in our favor amounting to $376.94 are cousidered bad debts. Make out a financial statement showing the gain or loss.

Exercise 50.—Real Estate. Value of property owned Jan. 1, $9846.20. Cash on hand $7243.20. Built houses during the year at a cost of $6324.25. Other expenses $376.90. Collected rents $984.25. Paid taxes $243.80. House valued at $1200 burned. Received insurance $750. Property owned Dec. 31, valued at $18,920. Make out a statement showing the year's gain or loss.

Exercise 51.—Drugs. Value of drugs on hand Jan 1, $4269.30. None bought during the year. Gross sales during the year $2984.20. Total expenses $842.31. Inventory Dec. 31 shows drugs on hand valued at $1009.46. Make out a financial statement showing the gain or loss.

Exercise 52.—Live Stock. Bought 563 head of cattle at $45.76 each. Kept them eleven weeks at an expense of $1.95 each per week. At the end of the seventh week twelve cattle die. Their hides are sold for $7.22 each. The remaining cattle are sold for $73.90 each. Make out a statement showing the gain or loss.

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LESSON XIX.

Partnership is the voluntary association of two or more persons who agree with each other to combine their labor, skill, or capital in a business, and to share the gains and bear the losses proportionately. All who are known as partners of a firm are liable for the partnership debts. Usually any one partner can make contracts binding the partnership. Each partner has an equal right in the management of the firm's affairs; nor can one exclude another from such right or from possession of the partnership effects. A majority of a firm, acting upon good faith and upon consultation with each other, have power to bind the minority. A partnership is ***general*** when each member is responsible for the debts of the firm to the amount of his entire property. A ***silent partner*** is one who furnishes capital, and shares in the profits and losses, but takes no active part in the management of the business. A partnership is said to be ***limited*** when one or more of the partners contributes a definite sum to the capital of the firm and stipulates that his liability for losses and share in the profits shall be in a certain ratio to his capital and no more; such contracts are governed by the laws of the State where they are made, and must commonly be recorded by the proper official and publicly advertised. A partnership may expire by ***limitation,*** that is, at the expiration of the time agreed upon, or it may be dissolved by mutual consent; it may be terminated also by the bankruptcy of the firm, or by the death of a partner. Surviving partners may alone have the right to dispose of and settle partnership property. The representatives of a deceased partner can only call for the rendering of an account.

EXERCISE 53. Blacksmith's Day Book.

Note.—A blacksmith should keep a ***day book*** and a ***ledger.*** He should make his entries in the day book at such times during the day as he finds it convenient to do so. These entries should include the names of the persons for whom the work is done, and also particulars of the work and the prices. Expense entries and cash payments should also be made in this book. The ledger should contain all the personal accounts—those which the blacksmith owes and those in his favor. Every transaction involving money, whether in cash or *on time*, should be recorded in the day book. Enter the transactions which follow in day-book form.

Monday, June 3, 190-.—Paid rent of shop for May in cash $17.50. Welded and set tire for Robert Hamlin, 45c. Received ten bushels oats from James Wood to be credited on his account at 32c. Thomas Blake's double team shod all around. Three new shoes, $1.10. Tempered axe for Harry Ferris, 20c. Made new king-bolt for Peter Hender's wagon, 35c. Received $5 to apply on account from Jacob

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Crabtree. Bought one ton coal, $4.50. ***Tuesday, June 4.***—Put ten new teeth in harrow for Robert Hamlin, 80c. Made a log-chain swivel for Harry Ferris, 35c. Mended wagon brace for Wallace Bruce, 15c. Sent $25 by registered mail to Tweed Iron Co., Pittsburgh, Pa., to apply on account. Made staple and ring for neck yoke for James Miles. Mended double-tree for Henry Holmes, 75c. Cash orders to-day, $3.75. ***Wednesday, June 5.***—Repaired gate for Richard Ball, $1.60. Reset old springs for Arthur Burns, 85c. Received cash on account from John Loughead, $10.

Supplementary Exercises.

30. A farmer bought a 20-acre field of ripe wheat for $225; he paid $1.45 an acre for cutting and saving, 4 cents a bushel for threshing and cleaning, and $2.25 a load (40 bushels) for teaming; the wheat yielded 23 bushels to the acre, and was sold for $1.43 bushel. How much did the farmer gain or lose?

31. A milk dealer buys 32 ten-gallon cans of milk each day at $1.75 a can. He keeps three delivery wagons at an expense of $1.85 each a day, and sells milk at 7 cents a quart. Find his gain in ten weeks, including Sundays.

LESSON XX.

The ***current of trade*** naturally tends to flow from places where there is an abundant supply of any commodity to those where there is a scarcity and a demand. Thus more wheat is grown in America than can be consumed, more must be needed in Europe than can be grown, so that wheat ships are always crossing the Atlantic from west to east. Besides the ever varying ***tariff*** systems of the world, trade is subject to a variety of minor restrictions. ***Foreign trade*** is the exchange of merchandise which takes place between two different nations. ***Domestic trade*** is home trade, that is, trade between our own cities and towns. ***Import trade*** refers to goods brought into the country from abroad, and ***export trade*** refers to merchandise raised or manufactured here and sent abroad for sale.

EXERCISE 54. Dry Goods Invoices.

Note.—The salesman writes the order on his *order blank* with the address of the customer. The complete *statement* or *bill* is delivered with the goods or is sent by mail. The methods of checking and recording orders differ in different houses.

Sale 1.—On October 13, 190—, Messrs. Haybridge & Hatter sold the following articles to Mrs. Charles Lawrence, 18 High Holborn St.: 5 yds. braid, 5c.; 2 prs. pillow-cases, $1.50; 3½ yds. velvet, $1.40; 3 handkerchiefs, 25c.; 1 spool silk, 75c.; ¾ yd. ruching, 60c.; 2 children's suits, $2.75; 1 umbrella, $1.75; 3 prs. hose, 40c.; 2 prs. gloves, $1.25; 1 doz. towels, $2; 15½ yds. dress goods, 62c.; 2¾ yds. lace, 40c. Make out the bill to go with the goods.

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Sale 2.—On October 19, 190—, Messrs. Haybridge & Hatter sold the following articles to Miss Jennie Adair, 43 Dagmar St.: 5 yds. print, 13c.; ¾ yd. veiling, 80c.; 14½ yds. cheviot, 37½c.; 1 waterproof, $4.50; 4½ yds. ribbon, 16c.; ½ yd. velvet, $1.10; 2 prs. hose, 35c.; 2 ties, 37½c.; 5 yds. lace, 85c.; 12½ yds. silk, $1.35; 5 yds. lining, 20c.; 1 parasol, $3.25.

The ***gold coins*** of the United States are the quarter-eagle (2½-dollar piece), the half-eagle (5-dollar piece), the eagle (10-dollar piece), and the double-eagle. The ***paper money*** of the United States is of four different kinds: Treasury ***gold certificates*** certify that there have been deposited in the treasury of the United States gold dollars to the amount of the bill, and that these are payable to the bearer on demand. They are issued in denominations of $20 and upwards. Treasury ***silver certificates*** call for silver instead of gold. They are issued in all the ordinary denominations. The ***treasury notes*** certify that the United States will pay the bearer the amount of the note in *coin*. They are issued in all the ordinary denominations. The ***national bank notes*** are issued by national banks and are secured by United States bonds deposited with the treasurer of the United States by the banks issuing them. They are issued in denominations of $5 and upwards. When we say that certain money is ***legal tender*** we mean that it can legally (lawfully) be tendered (presented) in payment of debt. A creditor may refuse to accept a check, or draft, or express order, etc., but he cannot legally refuse to accept authorized money. The national bank notes are legal tender for all debts, except duties on imports. Other government money is legal tender for any debt whether public or private.

EXERCISE 55. Bank Check.

Henry Cromwell keeps his money in the Peoples Bank, Philadelphia. He wishes to order some books by mail from John Brown, Publisher, 3948 State St., Boston. The order calls for $9.35. Write a check to accompany this order. So word the check that if lost in the mails no other John Brown can collect it. John Brown's book-keeper, Harold Saunderson, has power of attorney to indorse checks for Brown. He indorses this one for deposit. Write the indorsement.

Supplementary Exercises.

32. You have a house which you desire to sell. Write an advertisement describing fully your property.

33. Write a receipt for a month's rent received from Thomas Hardy who lives in your house at 246 Willow Ave.

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LESSON XXI.

EXERCISE 56. Official Correspondence (Copying).

Every person who acts in the capacity of a secretary or amanuensis should be able to read *copy* easily and to transcribe it correctly and neatly. Copy the photo-reproduction of an official letter given on the sheet which corresponds with this exercise. Write in all interlineations in their proper places and make any corrections necessary. The numbers indicate the beginnings of paragraphs. Do not write them in your copy.

Supplementary Exercises.

34. Find the value in American money of a *Wells Fargo Express Order* for £25 16*s.* 8*d.* (Exchange $4.86⅔.)

35. A courtyard, each side of which is 100 yards, is to have two paved walks from sides to sides and crossing each other at the centre. The walks are 7 ft. 6 in. wide, and cost for paving $1.37½ a square yard. Find the entire expense of the paving.

LESSON XXII.

The separation of a transaction into its debit and credit elements is called ***journalizing.*** This is done mentally when transferring the record from the original entry to the ledger. The method of writing down journal entries in a journal is antiquated and a great waste of time. Accounts are classified under a variety of headings. ***Personal accounts*** are accounts with persons, firms, and corporations, for the purpose of showing the concern's dealings with them. The ***proprietor's account*** is really a personal account sustaining the same relation to the concern that other personal accounts do. The difference is usually a resource showing what the concern owes the proprietor. If the proprietor keeps a ***private account*** it will really be an expense account showing the sums drawn from the business for private use. The ***cash account*** represents the cash received and paid, and the ***merchandise account*** the merchandise bought and sold. All expenses may be put under one heading called ***expense,*** or several accounts such as wages, insurance, etc., may be opened.

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EXERCISE 57. Ledger Practice. Double Entry.

Note.—The ledger accounts should give a complete outline of every transaction. If, for instance, you sell A. B. merchandise invoiced at $255, and he pays cash $100, the balance to remain on open account, you should debit his account with the entire $255, and credit it with the cash payment.

April 1.—Commenced business with
Resources: Cash on hand, $984.26.
Flour: 175 bbls. valued at $4.25.
Liabilities: We owe William Scott, $135.67.

April 2.—Paid rent of warehouse one month in cash, $40. (Expense.)

April 4.—Bought for cash 43 bbls. flour, invoiced at $4.10.

April 6.—Sold for cash 104 bbls. flour at $4.75.

April 7.—Borrowed $150 from Henry Dickens.

April 10.—Sold Henry Dickens 48 bbls. flour at $4.90; received in payment, cash $85; balance on account.

April 12.—Bought of William Scott 207 bbls. flour invoiced at $4.15; paid him cash $250; balance on account.

April 15.—Returned the money borrowed from Henry Dickens.

April 17.—Sold Henry Dickens 148 bbls. flour at $5.12; received in payment, cash $214; balance on account.

April 18.—Paid office expenses in cash, $14.97.

April 22.—Paid William Scott cash on account, $95.

April 26.—Henry Dickens failed, paying 50 cents on the dollar. We receive one-half the full amount due, in cash. (Charge balance to "Loss and Gain.")

April 30.—Sold for cash all the flour remaining on hand at $4.35.

LESSON XXIII.

EXERCISE 58. Plumber's Bill.

On March 14, 190—, James W. Dudley, Boston, Plumber, renders a bill to R. M. Higgins, 204 Columbia Ave., containing the following items: 2-1″ Couplings, 13c.; 4-¾″ Soldered Nipples, 25c.; 2-¾″ Gas Check, 75c.; 1-¾″ Ell, 15c.; 2-¾″ Short Nipple, 9c.; 12 lbs. Lead Pipe, 8¼c.; 1 lb. Solder, 25c.; Connecting Gas Meter, 80c.; ¼ Day's Time, 2 men, $4. Make out this bill. Receipt it (per yourself) on March 25.

EXERCISE 59. Receipt.

Write (per yourself) for Philip B. Low & Co. a receipt for $92.43 in favor of Robert Orland, in settlement of bills of Sept. 13 and Oct. 5, 190—. Date the receipt Nov. 1, 190—.

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Supplementary Exercises.

36. Find the cost of the paper for 2400 7 by 12 16-page pamphlets, the size of the paper being 24 by 28, and the weight 40 lbs., at 6¼ cents a pound.

37. Find the cost of ten miles of barbed wire at 3½ cents a pound, supposing one pound to stretch 9 ft. 7 in.

LESSON XXIV.

Salesmen usually ***make change*** by addition. They have the money to count out, and in doing so, they add to the amount of the purchase until they reach the amount of the bill presented. For example, if you buy something worth $3.35 and present a $10 bill in payment, you will probably receive in return 5c., 10c., 50c., $1, and $5, the salesman saying 40, 50, $4, $5, $10. This method is least liable to error.

EXERCISE 60. Bookseller's Cash Book.

Note.—The form of cash book given in Exercise 2 is suitable for small dealers in almost any line of retail merchandising. The transactions given below are taken from the cash records of a bookseller in a country town.

September, 190— (Write the name of the month and the year at the top of the page). **1.** Balance on hand, $143.96. Received $13.92 from William Robinson in full settlement of his account. Paid rent of store for August in cash, $25. Cash sales this day, $74.25. **2.** Paid Harry Watson's wages for August, $32.50. Took out for private use cash, $25. Received from W. B. Walker cash on account, $15. Cash sales this day, $85.63. **3.** Sent my check for $54.76 to Houghton, Mifflin & Co., Boston, in full settlement of their account. Paid a carpenter for putting in new shelving, $8.25. Received cash $9.32 from S. David in full of account. Received cash $32.43 from Dr. F. Snelgrove in full of account. Cash sales this day, $63.90. Sent my check for $28.32 to Harper Bros., New York, in full settlement of their account. Paid gas account for August, $9.24. Paid for office stationery, $3.96. Paid Donnelly & Co. for printing circulars, $11.30. Took out for private use, $10. **4.** (Balance on hand, $———).

Supplementary Exercises.

38. If you have no change except 25-cent, 50-cent, and $1 pieces, how can you make change for $7.25 out of $10?

39. You owe $5.75, but have only a $5 bill, a $1 bill, and a 25-cent piece; the collector has nothing smaller than a half-dollar; how can change be made?

40. You owe $4.40, and have a $10 bill, a silver dollar, and three 10-cent pieces; the person to whom you are paying the money has $7 in bills, three 25-cent pieces, and a 5-cent piece: how can change be made?

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LESSON XXV.

For their ***correspondence*** business men generally use single sheets *letter* size, with printed business headings. The paper should be, whether letter or note size, the best that the writer can afford. Unruled paper is to be preferred. A letter-sheet should be ***folded*** from the bottom forward, bringing the lower edge near to the top, so as to make the half-length a little shorter than the envelope, then breaking the fold. Next fold twice the other way, beginning at the left edge, folding towards the right. A note-sheet should be folded twice, from the bottom forward.

EXERCISE 61. Business Correspondence.

The Wheeler Manufacturing Company of Cortland, N. Y., have written The Richmond Manufacturing Company, Richmond, Va., ordering 500 sets of certain mouldings which they use in manufacturing carriages. They have never ordered goods from your house before and ask the "usual 30 days' credit." You find them well-rated but have not in stock the particular moulding which they describe. You have something else which is very similar and which may answer their purpose. If they should order a thousand you could afford to manufacture what their order calls for. Answer fully the letter for the Richmond house.

Supplementary Exercises.

41. Find the cost of digging a ditch 9 feet deep and 3½ feet wide around the outside of a rectangular piece of ground 40 feet by 60 feet, at 30 cents per cubic yard.

42. Two farmers, A and B, buy a horse for $175, A paying $95 and B the balance. A pastures him for 27 weeks, and works him 101 days. B pastures him 13 weeks, and works him 35 days. They value the pasture at 50 cents a week, and the work at 30 cents a day. At the end of the season they sell the horse for $200. How much of this money should each receive?

LESSON XXVI.

Factories and business houses employing a large number of workmen are obliged to adopt various methods of keeping their ***time,*** that is, the number of hours they work. In some houses ***time-tickets*** are made use of. These are punched morning and evening. They are turned in at the end of the week and are used in making up the ***pay-roll.*** In concerns having several departments with a ***foreman***

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at the head of each, the task of keeping the time of the workmen is usually assigned to the foremen, each of whom keeps a time-book for his department.

EXERCISE 62. Manufacturer's Pay Roll.

Make a proper record of the labor and wages having given the hours of service for each day and the amount paid per hour: Fred. Rogers, 8–7½–9–9–7–8, 36c. Thomas Gibson, 9–9–9–8½–7–8, 36c. Henry Wilkins, 9–8½–9–0–0–5, 30c. Max O'Reilly, 8–8½–9–9–9–4, 28c. Chas. H. Ray, 9–8–8–8–0–4½, 26c. William Norman, 8–0–9–9–8½–0, 40c. Thomas Henders, 7½–8–9–9–8–4, 22c. John Manly, 9–9–9–9–9–4, 35c. James Stanley, 9–8½–9–9–9–4, 22c. Robert Potter, 8–9–8½–9–9–5, 36c. Lawrence Harkness, 9–9–8–8–8½–4, 30c. Consider nine hours a full day. If a workman is absent for any period of time less than one-half hour mark him absent for the full half hour.

EXERCISE 63. Bank Check.

Note.—In writing a check to draw money for ***wages*** write "*Pay to the order of Wages*" or "*Pay to the order of Pay-Roll.*" Such a check must be presented at the bank by some one known by the paying-teller to be authorized to draw the money. It is not the same in effect as a check written payable to *bearer*. All paid checks are returned by the bank at the end of the month and the checks drawn for wages will be ***vouchers*** for this particular expense. A *voucher* is a proof of a particular payment or fact.

Wm. E. Kennedy & Co., Cleveland, desire to draw for the payment of wages the sum of $139.42 from the amount to their credit in the German-American Trust and Title Company. Write the check. No. 493.

Supplementary Exercises.

43. A foreman receives $2.75 a day, and 50 cents an hour for overtime. During a certain week he works from 6.30 a. m. until 10.30 p. m. (less two hours for meals) each day. If a full day is nine hours, what are his wages for that week?

44. A foreman receives $3 a day, and 60 cents an hour for overtime. He is charged 20 cents for each hour he is absent. His time for a particular week is as follows: 12½ hrs., 7½ hrs., 8½ hrs., 13 hrs., 10½ hrs., and 5 hrs. If a full day is 8 hours, what should his wages for the week amount to?

LESSON XXVII.

In account-keeping a ***book of original entry*** is a book in which the transactions are first entered. This may be a day book, or order book, or cash book, or check book, or sales book, etc. The process of transferring the record of transactions from the books of

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original entry to the ledger is called ***posting.*** The ***trial balance*** is a list of the total debits and credits arranged according to their respective accounts. If the footings of the two columns are the same it is a proof that the posting has been correctly done. It is not, however, positive proof, as an entry may have been posted to the right side of the ledger but to the wrong account. Such errors can be discovered only by checking the posting carefully. Whenever an account balances, that is, when it is paid in full, or when both sides add the same, it should be ruled up. New items should be entered under the rulings.

EXERCISE 64. Ledger Practice. Double Entry.

May 1.—Commenced business with
Resources: Cash on hand, $976.43.
Merchandise valued at $842.40.
Heber Hamilton owes us $137.43.
Liabilities: We owe Peter Emery $304.22.

May 3.—Paid rent of store for one month in cash $27.50.

May 4.—Bought for cash merchandise costing $296.37.

May 5.—Sold Chas. Chapman merchandise, $342.36; received in payment cash $232; balance on account.

May 7.—Paid office expenses in cash $14.97.

May 8.—Paid a wages bill of $19.30 in goods from the store.

May 10.—Heber Hamilton paid cash on account $100.

May 12.—Bought of Peter Emery merchandise $439.20; gave in payment cash $300; balance on account.

May 15.—Borrowed cash $125 from Thomas Wallace.

May 17.—Sold Thomas Wallace on account merchandise, $276.42.

May 18.—Memo: Merchandise valued at $200 burned last night.

May 19.—Received insurance $175 on merchandise burned yesterday.

May 21.—Cash sales of merchandise this day, $98.42.

May 23.—Paid Peter Emery cash on account, $147.50.

May 25.—Chas. Chapman paid cash on account, $75.

May 27.—Paid a wages bill of $9.80 in cash.

May 29.—Cash sales of merchandise this day, $137.40.

May 31.—Lost cash, $15.

Inventory: Merchandise on hand valued at $342.37.

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LESSON XXVIII.

Insurance is a contract whereby one party undertakes, for an agreed consideration, to indemnify another party for loss on a specific risk, under certain conditions. Insurers are sometimes called ***underwriters.*** The principal kinds of insurance are ***fire, life, marine,*** and ***accident.*** The written contract is called the ***policy.*** A misrepresentation of an essential fact by the insured will make a policy void. Goods in transit are usually insured for enough to cover cost and transportation. The ***premium*** is the amount of money paid by the insured to the insurance company.

EXERCISE 65. Grocer's Order Book.

Orders.—*Monday, July 5, 190—.* Thomas Wallace, 96 Fairmount Ave.; 4 lbs. Gr. Sugar, 5½c.; 3 lbs. Rio Coffee, 37c.; 2 Lamp Chimneys, 8c. (C. O. D.)———James Peterkin, 19 W. Water St.; 2 cans Salmon, 12½c.; 2 cans Sardines, 15c.; 2 baskets Grapes, 20c.; 2 lbs. Butter, 32c.; 3 loaves Bread, 7c.; 1 Broom, 25c.———Mrs. K. B. Wood, 21 W. Water St.; 8 qts. Cranberries, 13c.; 3 lbs. Crackers, 12c.; 1 box Strawberries, 15c.; 2 lbs. Rio Coffee, 37c.; ½ lb. E. B. Tea, 60c.; 2 cans Tomatoes, 14c.———*Tuesday, July 6, 190—.* J. H. Barber, 14 Summit St.; 6 lbs. Butter, 32c.———Mrs. B. C. Connor, 204 Woodlawn Ave.; Sack of XX Flour, $1.38 (Paid).———Willard Allen, 25 Woodlawn Ave.; 5 gals. Oil, 9c.; 3 lbs. White Sugar, 7c.; 1 gal. Vinegar, 22c.; 5 lbs. E. B. Tea, 58c.; 3 lbs. Wafers, 13c.; Yeast Cake, 2c.———*Wednesday, July 7, 190—.* Dr. J. B. Gould, 24 Bennington St.; ¼ lb. Cloves, 40c.; 3 lbs. Rice, 9c.; 2 lbs. Raisins, 12c.; 1 bot. Bluing, 12c.; 2 bot. Catsup, 25c.———J. E. Lawrence, 18 Maple St.; 6 Assorted Jelly Paste, 20c.; 2 cans Corn, 16c.; 1 can Cleveland Baking Powder, $1.35; 5 bars Ivory Soap, 9c.; 2 pkgs. Wheatlet, 12c.; 5 lbs. Assorted Crackers, 13c.———Peter Cartwright, 18 Wesley St.; 1 bbl. Flour, $6.25; 2 bu. Potatoes, 75c.

LESSON XXIX.

A ***note*** is a written promise to pay a specified sum of money. At the time of a note's issue, that is, when signed and delivered, two parties are connected with it: the ***maker*** and the ***payee.*** The ***maker*** is the person who signs or promises to pay the note, and the ***payee*** is the person to whom or to whose order the note is made payable. A ***time note*** is one which is made payable at the expiration of a certain specified time. A ***demand note*** is made payable "on demand," that is, whenever payment is demanded. A ***negotiable note*** is one which is so worded as to be legally transferable.

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A note to be made negotiable, must contain the word "order" or the word "bearer," that is, it must be payable to the bearer or to the order of the payee. "To the order of" means to any person the payee orders it paid to. Notes drawn payable to bearer are transferable without indorsement. Notes drawn payable to order must be indorsed by the payee. A ***non-negotiable note*** is one which is made payable to a certain payee ***only***. A ***joint note*** is one which two or more persons jointly promise to pay; each person joining in such promise must put his signature to the note; each person signing a joint note is held liable for his share and no more. A note may be written on ***any kind of paper*** in ink or in pencil. All notes should be dated. The amount should be written in both figures and words. Better make notes payable at some definite place. ***With interest*** inserted in a note, makes interest payable from its date; if not inserted, interest is payable only in case the note is not paid at maturity, and then only from and after maturity. A note cannot be collected ***before maturity***. A note is void if dated on Sunday.

EXERCISE 66. Hardware Invoice.

Baker, Walker & Co., dealers in hardware, 465 Centre St., Chicago, sold to Robert Dix, 894 Lake Ave., the following articles: 6 Master Keys to sample, 50c.; 12 doz. Sash Lifts, 12c.; 6 Anchor Bolts, 1 × 24, 85c.; 6 quires Sand Paper, # 1, 12c.; 3 gross Screws, ¾″ 16c.; 2 Saw Files, 6c.; 2 Machine Bolts, ½ × 18″, 30c.; 1 Coes Wrench, 12″, 75c.; 1 Sheet Norway Iron, 60 lbs., 8c.; 1 pr. Crucible Tongs (special to order), $1.75. Making and putting up 15 Galvanized Wire Guards as per estimate, $137.50. Make out the bill and receipt upon it a cash payment of $100.

EXERCISE 67. Promissory Note.

Note.—Read carefully the information about promissory notes given in a preceding paragraph. In writing in the money amounts follow the directions regarding bank checks already given. Notes which are not made payable at a particular place are payable at the office or residence of the maker.

William Pennington owes Benjamin Frankford the sum of $243.27. He gives him, to-day, his note at 60 days for the amount. The note is made payable at the Bradstreet National Bank, Philadelphia. Frankford transfers the note by indorsement to Daniel Webber who transfers it by indorsement to Roger Williamson. Williamson deposits the note in the Westminster Bank, Providence, R. I., for collection. Write the note and the correct indorsements.

Questions.—When will this note mature? If Pennington fails to pay it what is necessary to hold the indorsers? Are Frankford and Webber equally responsible? If Williamson collects from Frankford can Frankford collect from Webber? How about Frankford if Williamson collects from Webber? Tell fully how the note will reach Pennington from Providence.

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Supplementary Exercise.

45. A business house has offered you a position which you are unable to fill. Write them a very cordial letter declining the offer and giving your reasons fully.

LESSON XXX.

EXERCISE 68. Manufacturer's Pay-Roll.

Make a proper record of the labor and wages, having given the hours of service for each day and the amount paid per hour: Henry Albertson, 3-8-8-8-8-7, 35c. Jonas Simon, 4-8-8-8-8-6½, 35c. Wm. Barker, 8-7½-6½-3-4-7, 32c. Johnson Clark, 6-6½-7½-8½-8-8, 30c. John Smith, 8-8-8-8-8-8, 40c. Robert Walker, 7½-7½-7½-6-6-3, 45c. Jas. Patterson, 7-7½-6-5-4-6, 45c. William Brown, 8-8-6-6-7-7, 35c. Rob't Brown, 8-7½-3½-o-o-o, 25c. Patrick O'Brien, 8-8-o-7½-3-4, 37c. Walter Darling 8-8-8-2-o-3½, 37c. Consider nine hours a full day.

Business men derive many advantages from keeping their ***money on deposit*** in a bank. There is less danger of loss by burglary; the payments can be made more conveniently by check than by counting out bills and silver; other people's checks can be deposited for collection; and the acquaintance with the bank may afford the privilege of borrowing on notes or other securities.

EXERCISE 69. Bank Check.

W. E. Kennedy keeps his money in the German-American Trust & Title Company, of Cleveland. He has a balance to his credit of $746.93. The last check he drew was No. 536. He owes Joseph Clarkson, Elgin, Ill., $23.35, and sends him to-day his check for the amount. Clarkson receives the check but has no bank account and cannot deposit it. He therefore turns it over to his grocers, Palmer & Kilduff, who deposit it in the Time-Keepers' National Bank of Elgin. Write the check with the correct indorsements.

Questions.—When is it better to put the address or the business or profession after the name of the person in whose favor a check is drawn? What is the advantage of numbering checks?

Supplementary Exercises.

46. Find the cost of 2250 lbs. of coal at $5.25 a ton.

47. Find the cost of 5250 lbs. of pork at $7.35 a hundredweight.

48. Find the cost of 4820 sheets of paper at 75c. a ream.

49. A fruit dealer bought four barrels of apples at $3.75 a barrel; the four barrels contained 6345 apples; he sold them at the rate of 3 for 5 cents. How much did he gain?

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50. A dealer bought seven gross of lead-pencils at $2.50 a gross, and sold them at 15 cents a dozen. How much did he lose?

51. A man bought a house and lot for $8263; he built an addition to the house at a cost of $1743; the house was destroyed by fire and he received insurance $4750; he then sold the lot for $2025. How much did he lose?

LESSON XXXI.

EXERCISE 70. Business Correspondence.

Charles Henry Bowlipp, of Fernwood, Pa., owes F. A. Black & Son, Philadelphia, a bill of $137.40 for papering and decorating. The bill has been rendered several times and the account has been standing almost a year. A letter comes to-day stating that the bill is in excess of the contract price which was $125. This statement Black & Son find to be correct, but they find also that Mr. Bowlipp ordered the contract arrangement changed with reference to the library, adding instead much more expensive decoration. This change besides being more expensive caused a loss of time of two whole days for two men. Write for Black & Son a courteous reply offering a full explanation and urging immediate settlement.

Supplementary Exercises.

52. Find the interest on $247.50 for 3 years, 3 months, at 7 per cent.

53. Find the interest on $362.80 for 221 days at 8 per cent.

54. Find the interest on the promissory note in Exercise 67 at 7 per cent.

LESSON XXXII.

EXERCISE 71. Ledger Practice. Double Entry.

June 1.—Commenced business with cash, $2000.

June 2.—Paid rent of warehouse $35 for one month in cash.

June 4.—Bought for cash merchandise costing $863.90.

June 5.—Paid office expenses in cash, $19.83.

June 7.—Bought from Robert Reid, merchandise valued at $963.27; gave him in payment my note at 30 days for $450; balance on account.

Directions.—Open an account and call it "*Bills Payable.*" You first debit "*Merchandise*" and credit "*Robert Reid*" with the $963.27. Then you charge "*Robert Reid*" with the $450 which you pay him and instead of crediting your "*Cash,*" for it was not cash, you credit your "*Bills Payable*" account. Every time you give your own note in payment of debt or for any other purpose you credit your "*Bills Payable*" account.

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June 9.—Sold merchandise invoiced at $1264.80 to Silas Penlope; received in payment cash $500, and his note at one month for the balance.

Directions.—Open an account and call it "*Bills Receivable.*" Whenever you receive a note which is due to you rather than by you, you debit or charge the "*Bills Receivable*" account. In this transaction you should first credit "*Merchandise*" with the $1264.80. You debit "*Penlope*" with the same amount even though he has paid the bill in full, for although a note is payment, the sale will not be perfected until the note has been paid, and for fear of any failure on Penlope's part to pay the note you had better have a complete history of the transaction. You credit "*Penlope*" with cash $500 and with the note for $764.80 and rule up the account. You debit your "*Bills Receivable*" account with the $764.80.

June 12.—Bought merchandise invoiced at $764.22 from Robert Reid; gave in payment cash $420; balance on account.

June 15.—Sold merchandise valued at $984.29 to Silas Penlope on account.

June 18.—Gave my note for $150 at 20 days to Robert Reid to apply on account.

June 20.—Received from Silas Penlope his note at 30 days for $750 to apply on account.

June 25.—Sold merchandise for cash, $39.85.

June 27.—Gave Robert Reid cash on account $100.

June 30.—Received from Silas Penlope cash $125 to apply on account.

Inventory: Merchandise on hand valued at $697.80.

LESSON XXXIII.

An ***indorser of a note*** is any person who writes his name on the back of it, and by so doing guarantees its payment. The day of ***maturity*** is the day on which a note becomes legally due. In several of the States a note is not legally due until three days, called ***days of grace,*** after the expiration of the time specified in the note. When a note is presented for payment at maturity and is not paid, it is usually ***protested,*** that is, a notary public makes a formal statement that the note was presented for payment and payment was refused. If there are no indorsers on the note it is not necessary to do this. The object of protesting paper is to hold the indorsers liable for the payment of the money if the maker of the note fails to pay it.

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EXERCISE 72. Promissory Note.

John Hamden gives his ninety-day note for $123.75 to Oliver Cromwell. The note is dated March 13, 190—, and draws interest at 7 per cent. It is payable at the Tenth National Bank. Cromwell transfers the note by indorsement to Walter Raleigh who transfers it by indorsement to John Milton. Write the note including indorsements. Give the date of maturity.

Questions.—What will the interest amount to? If Hamden fails to pay the note to whom can Milton apply providing that he has the note protested? Can Raleigh transfer the note without indorsing? Can Cromwell?

Note.—The words "with interest at 7 per cent" may be written in anywhere; under the line upon which the amount of the note is written will answer. If this note is transferred after indorsement, that is, if Milton wishes to sell it, he should pin it to the protest papers and allow all to go together.

Checks should be ***numbered*** so that each one can be accounted for. The numbers are for your own convenience and not for the convenience of the bank. It is important that your ***check book*** be correctly kept so that you can tell at any time how much money you have in the bank. At the end of each month your small ***bank book*** should be left at the bank so that the bookkeeper of the bank may balance it. It may happen that your bank book will show a larger balance than your check book. You will understand by this, if both have been correctly kept, that there are checks out which have not yet been presented at your bank for payment. You can find out which these are by checking over the *paid* checks that have been returned to you with your bank book. The unpaid checks may be presented at any time, so that your actual balance is that shown by your check book.

EXERCISE 73. Bank Check.

J. R. Wood & Son keep their money in the Northwestern National Bank of Pittsburgh. The last check they drew was No. 469. They wish to draw $246.27 to-day for their monthly pay-roll. Write the check.

Questions.—How does this check differ from one drawn to *bearer*? If J. R. Wood & Son send the check with an employe not known at the bank, will he be able to get the money?

EXERCISE 74. Credit Memorandum.

Note.—When goods that have been charged to a customer are returned by him as unsatisfactory or for other reasons, it is customary for the merchant to give for the amount of the goods returned a "credit memorandum" which the customer should keep and present as cash when paying the original bill.

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Mrs. H. B. Warren, West Chester, returned to Peterkin & Watson 5¼ yards Red Flannel, bought yesterday with other goods, and charged on account, and receives a credit memorandum. Write the memorandum. Date to-day.

Supplementary Exercises.

55. Find the interest on $432.25 for 231 days at 8 per cent.

56. Find the interest on $221.36 for 93 days at 5 per cent.

57. Find the interest on $564.95 for 2 years, 3 months, at 4½ per cent.

LESSON XXXIV.

In a ***sale*** there must be a change of possession, but actual delivery is not necessary to pass the title. A sale is often made under an agreement that the title will not pass until the goods are paid for. This is commonly the case in buying on the installment plan. A ***chattel mortgage*** is a sale of personal property as security for some debt or other obligation, the sale to be avoided by the repayment of the money, with interest, within a certain time. The mortgagor (or seller) usually retains the property mortgaged in his possession. Chattel mortgages must be recorded in the office of the town or county clerk according to the laws of the place where they are given.

EXERCISE 75. Telegraphic Order.

The Bancroft Book Company, of 249 Main St., St. Paul, sends a telegraphic message to Hollingswood & Whiting Company, for 145 reams of French bond paper, light blue tint, 20 × 24, and heaviest weight they have. Paper to be shipped by Merchants' Dispatch at earliest possible date. Write this message. Do not exceed fifteen words.

EXERCISE 76. Paper Invoice.

Make out the invoice to be sent the Bancroft Book Company, St. Paul, in connection with their telegraphic order. The paper is billed at 14c. and 10 per cent is deducted from the bill.

Supplementary Exercises.

58. You receive a somewhat worn $10 gold piece. You find that it weighs 213 Troy grains. What is its value?

59. If 5 shillings be worth $1.22, how much should one receive for an English P. O. money order for £28 13*s.* 9*d.*?

60. A jeweler sold a gold chain weighing 4 oz. 12 pwt. 9 gr., at 3½c. per grain. How much did he receive?

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LESSON XXXV.

The laws enacted by the legislature are called ***statute law,*** while those principles and usages which rest for their authority upon long continued acceptance and their adoption in judicial decisions, are called ***common law.***

An agreement, duly entered into, by competent parties, for a legally sufficient consideration, to do or not to do some specific thing, is a ***contract.*** It is not necessary that such agreement be in writing. If one party to a contract breaks it without the consent of the other, the other may enter suit for damages.

EXERCISE 77. Invoice.

Smith Bros. & Co., 493 Baltimore Ave., Media, Pa., bought of the E. R. Holman-Kreichler Company, Philadelphia, goods as follows: 215 yards Brussels Carpet at 98c.; 240 yards Moquette at $1.03; 139 yards Tapestry at 72c.; 6 doz. Porch Chairs at $6.90 per doz.; 8 sets Chamber Furniture in Oak at $26.35; 6 Dining Tables at $4.70; 3 Parlor Suites at $72.50. Make out the bill. Mark at the lower left hand corner "Shipped by P. W. B. R. R." Date to-day. Receipt the bill after deducting the 2 per cent for cash.

Supplementary Exercises.

61. Goods ordered from you by one of your Western customers are delayed in the factory. Write a letter giving particulars of the delay and stating when you can make shipment. Use names and addresses suggested by yourself.

62. Tell in your own words how you would proceed to open an account at a bank, giving particulars of what you would do and of what would be done for you.

LESSON XXXVI.

A ***common carrier*** is one whose regular business is to carry articles of personal property from place to place for the public. Expresses, stages, railroads, canal boats, steamboats, teamsters, ferries, etc., are instances of common carriers. A common carrier must carry for every one who desires to employ him and is ready to pay him his reasonable charge, so long as he has accommodations, and holds himself out to carry the kind of articles offered. It is the carrier's duty to load the goods carefully and to carry them safely and without unreasonable delay, and he is liable under certain conditions for damage or loss while in his possession.

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EXERCISE 78. Steamship Freight Bill.

Alex. Anderson & Bro., 51 Clinton St., Boston, have shipped to Chas. Clark & Sons, Philadelphia Terminal Market, by the Boston & Philadelphia Steamship Co., 39 crates of Blueberries invoiced at $3.85 each. The rate of freight is 30 cents a crate. The crates are marked C. C. T. The freight has been paid in advance but there is a Philadelphia storage charge of $1.40 and porterage of $1.17. Make out the bill for freight and receipt it for the agent per Philip Freight-handler. Date to-day. Trip No. 368.

EXERCISE 79. Railway Freight Bill.

The Atlantic Hardware Co., 494 Batterymarch St., Boston, have ordered from Marshall Eaton, Bloomfield, N. Y., 25 doz. sets of Easy Foot Horse-shoes. They have been shipped via Albany in 25 boxes each weighing 73 pounds. The boxes are marked A49H. The freight rate is 75 cents per 100 pounds. Make out the bill for freight. Date to-day. Progressive number 4268. Way-bill 11,967, dated four days ago. B. & M. car 8693. Receipt the bill for Benj. Prompt, agent of the B. & A.

Supplementary Exercises.

63. A lawyer collected a debt of $3264 and charged 5 per cent for his services. How much did he pay over?

64. If ½ per cent of one-half of a sum of money is $7.20, what is the sum?

65. A piece of property was sold for $3525, at a loss of 6 per cent. For how much should it have been sold to gain 12½ per cent?

66. I paid an attorney $32.50 for collecting a debt of $520. What per cent of the debt was paid for collecting it?

LESSON XXXVII.

When a reduction is made from the nominal price of an article, from the amount of a debt, or from the face of a note, it is called a ***discount.*** Some kinds of merchandise, books, furniture, musical instruments, etc., are often sold at fixed prices. Manufacturers or wholesale dealers invoice such merchandise to the ***trade,*** or retail dealers, at these fixed or ***list*** (catalogue) prices. The list prices are usually the retailer's selling prices. The manufacturer or wholesale dealer allows the retailer a ***trade discount,*** which is deducted at a certain rate per cent from the face of the invoice. When goods are sold at ***net*** prices, no discount is allowed, and the retailer adds to the cost to make his selling price. The amount of discount allowed depends sometimes upon the amount of the order, and sometimes upon

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the terms of settlement. Very often two or more discounts are deducted in succession. Thus 10 per cent and 5 per cent off, or as it is generally expressed in business, 10 and 5 off, means a discount of 10 per cent and then 5 per cent from what is left; 20, 10 and 5 off means three successive discounts. The result is not affected by the order in which the discounts are taken.

EXERCISE 80. Ledger Practice. Double Entry.

Directions.—This July set is a continuation of that for June. The promissory notes given and received in June mature this month. Enter the resources and liabilities which you find at the end of June in their respective accounts just the same as though you were beginning an entirely new set.

July 1.—Paid rent of warehouse $35 for one month in cash.

July 2.—Bought from Robert Reid on account merchandise, $964.25.

July 5.—Sold Silas Penlope on account merchandise, $846.33.

July 7.—Paid office expenses in cash, $13.27.

July 8.—Paid Robert Reid cash $200 to apply on account.

July 9.—Received from Silas Penlope cash $637.50 to apply on account.

July 10.—Paid my note of $——— due to-day in cash.

July 11.—Paid my note $——— due to-day in cash.

July 12.—Received from Silas Penlope his check for $——— to cover note due to-day.

July 15.—Bought for cash merchandise costing $764.33.

July 17.—Sold for cash merchandise invoiced at $623.36.

July 18.—Borrowed on my thirty-day note $350 from Walter Baker.

Directions.—Do not open an account in your ledger for Walter Baker. It is not necessary in this instance.

July 19.—Lost cash, $7.50.

July 21.—Cash sales of merchandise to-day, $93.25.

July 23.—Received from Silas Penlope his check for $——— to cover note due to-day.

July 25.—Bought for cash merchandise costing $683.22.

July 27.—Paid wages in cash, $17.90.

July 30.—Paid Robert Reid cash $——— in full of account to date.

Inventory: Merchandise on hand valued at $1842.60.

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LESSON XXXVIII.

Lien is the right of the seller to hold goods sold until he is paid for them. As soon as they pass out of the seller's hands, this right ceases. Workmen may place a lien on the building upon which they have been working, for wages due.

A ***mortgage*** is a conveyance of real estate as security for a debt or other obligation. To ***foreclose*** a mortgage is in reality to take possession of the property. A clause is usually inserted in the mortgage giving the mortgagee power, after a certain number of days, to sell the property at public auction. The surplus, if any, belongs to the mortgagor. When a mortgage is ***discharged*** (paid) such discharge should be properly recorded.

EXERCISE 81. Manufacturer's Pay-Roll.

Make a proper record of the labor and wages having given the hours of service for each day and the amount paid per hour: James Riley, 4–6–9–8–4–8, 39c. Daniel Russell, 8–8–8–8–8–8, 39c. David Shannon, 6½–6½–7–8–6–5½, 45c. William Steele, 8½–8–7½–0–0–6, 45c. Frank A. Titus, 7–7–7–6½–6½–2, 40c. ($2 advanced). Isaac Trainer, 6½–0–0–7–8–8, 40c. Joseph Walters, 7–8–8–8–8–9, 39c. A. G. Rockwood, 6½–6–6–7–0–0, 42c. Matthew Morgan, 8–8½–7–7–6–5, 39c. (dismissed). Wm. Murphy, 7–8–8–8–8–8, 39c. ($5 advanced). Joseph Fallon, 9–9–9–9–6, 45c. Walter Powers, 7½–6½–6½–6½–8–9, 45c. Peter Carpenter, 8–8–9–7–7–7½, 39c. Consider nine hours a full day.

Directions.—Suppose the amount due to be $22.47. Now, to pay this amount, we need *two* $10 bills, *one* $2 bill, *one* 25-cent piece, *two* 10-cent pieces, and *two* 1-cent pieces. Write **2** in the $10 column, **1** in the $2 column, **1** in the 25-cents column. **2** in the 10-cent column, and **2** in the 1-cent column. Remember always to take the largest bills or coins possible. Put a memorandum on the back of the check. See note in connection with Exercise 63.

EXERCISE 82. Check for Wages.

The Standard Mattress Company desire to draw a check for the wages necessary to pay off the men whose names and wages appear on pay-roll you have just made out. Write the check. Sign it for the Mattress Company, putting your own name underneath as treasurer. Put on the back of the check a memo. of the change needed.

Supplementary Exercises.

67. A dealer gives discounts of 25 and 10 off. Find the net amount of an invoice of $540.

68. One dealer gives a discount of 50 per cent and another gives on the same goods discounts of 30 per cent and 20 per cent. Which is the better discount, and what will the difference be on an invoice the gross amount of which is $1240?

69. Find the interest on $243 for 137 days at 4 per cent.

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LESSON XXXIX.

EXERCISE 83. Manufacturer's Invoice.

Directions.—Manufacturers of woolens, cottons, etc., number each kind of goods manufactured, and dealers in ordering an additional lot of a particular kind are required to give the number. The rolls which we see on dry goods shelves are as they come from the looms. The number of yards in the rolls, or pieces as they are called, of a particular kind, differs slightly. A manufacturer may intend to put up a particular cloth in pieces of 40 yards each. When he takes the pieces from the looms he will find that they may measure all the way from 35 yards to 45 yards, so that in selling, he gives the actual measurement of each piece. The number of yards is usually on a ticket at the end of the roll. In writing the number of yards in the invoice omit the denominators of the *quarter* fractions and write a small *two* to represent ½.

The Berlin Cotton Mills, of Trenton, sold to John Pennymaker & Co., 476 Euclid Ave., Cleveland, the following merchandise: Case #347, 18 pieces Bleached Cotton, #2046—41^2 43^1 42 40 43^2 42^2 39^3 38 39 40 42^2 43 41 42^2 43 47 37 39^3—8c. Case #348, 27 pieces Merrimac Prints, #964—30 32^1 33^2 33 34^2 36^3 36^2 33 34^1 31 33 34^2 32^1 34 30 33^1 32^2 31^2 32^2 31^2 30 29^3 33 34 32^1 33^1 32—6¼c. Case #349, 24 pieces Gingham #1068—39^2 33 38^2 39^2 40 41^3 42 38^2 33^1 37^2 36^3 39 40 41^2 42 43^1 42^1 40 34^2 36^2 38 37 40 41^2—9½c. Case #350, 14 pieces Lonsdale Muslin, #407—25^2 24 23^3 22 26^2 26 24^2 23^3 22 24^2 20 24^3 26 23^1—7¼c. Case #351, 9 pieces Cotton Flannel, #348—35 36^2 37 34^3 32^1 36^3 35^2 36 34—14c. Folio 146. Sales Book 93. Date to-day. Make out the invoice and receipt it less 2 per cent.

Directions.—Be careful to arrange the matter of this invoice neatly. Large dealers number all cases in the order in which they are packed or shipped. Write #347, then the 18, then the name of the goods, and on the same line, the (quality) number of the goods, and then on the lines following, the number of yards in each of the several pieces.

#347	18	Bleached Cotton, #2046,					
		41^2 43^1 42 40 43^2 42^2 39^3 38 39	745^2	8	59	64	
		40 42^2 43 41 42^2 43 47 37 39^3					

Leave a blank line throughout after each case entry. If the fraction is ½ or more add one cent; if below one half, drop it entirely. Write the numbers in vertical columns and leave a small margin at the left and at the right.

Supplementary Exercises.

70. Write three short reading notices of your goods, to be printed in the local column of your village paper.

71. Prepare (for printing) a circular letter to be sent to your customers who are behind with their payments. Be careful to word it in such a way that your customers will not take offence.

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LESSON XL.

The words ***value received*** in ***promissory notes*** are not legally necessary. The law does not hold that acknowledgment of consideration must be expressed, yet it is advisable always to have it so expressed. Notes are always ***payable in money.*** A note cannot be drawn payable upon certain conditions, and it must be for a definite amount, which should be plainly and distinctly written out in full, in words, in the body of the note; the amount is also usually expressed in figures at one corner of the paper. Should there be a difference between the amounts, that expressed in words is taken as the correct amount. In finding the ***date of maturity*** it is important to remember that when a note is drawn *days after date* the actual days must be counted, and when drawn *months after date* the time is reckoned by months. A note drawn March 13 at 60 days would be due, adding three days of grace, on May 15. If drawn two months after date it would be due on May 13 plus 3 days or May 16.

EXERCISE 84. Promissory Note.

Samuel Weller owes Daniel Quilp the sum of $183.27. He gives him, to-day, his note at three months with Sampson Brass as indorser. The note is made payable at his residence, No. 43 Pickwick Alley. Quilp transfers the note by indorsement to Uriah Heep, who has it discounted at the Royal Exchange Bank. Write the note with the correct indorsements.

Questions.—When will this note mature? If discounted the day it is drawn at 7 per cent (no grace), what will the proceeds amount to? If Weller should be absent when the bank messenger calls with the note on the day of maturity is he obliged to carry the note to any other address? What is the advantage of having an indorser? Is there any limit to the number of indorsers?

The person issuing a ***check*** may stop its payment at any time before it is presented at the bank by notifying the bank not to pay it. Checks are usually drawn payable ***to the order*** of some person or firm. A check so drawn must be indorsed by the person or firm to whose order it is drawn before it can be collected. When you apply to a bank to get a check cashed you must be known to the paying teller or else be ***identified*** by some one who is known at the bank. If a check is drawn payable ***to the bearer*** or "Pay to the order of *Bearer*," the bank will pay the amount to any one even a stranger. Such a check, if lost, could be collected by the finder. There are some banks, however, that make it a rule to pay money to no one except those who are personally known to them. Banks usually require checks to be indorsed whether drawn to *order* or to *bearer*. If

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you wish to draw money from your own account ***for your own use,*** write the check "Pay to the order of *Cash*," and present it at the bank yourself. Such a check, of course, does not need to be indorsed.

EXERCISE 85. Bank Check.

J. R. Wood & Son keep their money on deposit in the Northwestern National Bank of Pittsburgh. Their last check number was 469. They wish to order a book costing $2.75 from The Old Corner Bookstore, Boston. They do not recall the name of the firm owning this store. Write the check.

EXERCISE 86. Credit Memorandum.

James Alexander, 42 Pine St., West Chester, returned to Peterkin & Watson 12 yds. Brussels Carpet charged to him yesterday at $1.12½. They give him a credit memorandum which he will present as cash when paying his bill. Write the memorandum.

Supplementary Exercises.

72. Teas costing 59 cents, 65 cents, and 76 cents per pound, are mixed in equal quantities and sold at $1 a pound. Find the gain per cent.

73. If goods are bought for $8728 and sold for $9819, what is the gain per cent?

74. Find the interest on $216.75 for 148 days at 7 per cent.

LESSON XLI.

When ordering goods to be delivered by ***express*** give the address precisely. Country residents in particular, often receive mail at one office and express at another. Express charges vary according to the character and weight of the article and the distance to be carried. As a rule the charges may be prepaid or not, as the sender prefers; but on long distances advance payment is sometimes required. Express agents will always give ***receipts*** for the packages taken into their charge if so requested, and the possession of such receipt may be of particular value when a package has been damaged, delayed or lost by the way. The address of the sender should always appear on the outside. The receiver of an express parcel is obliged to sign a receipt when he takes it from the company. The word "collect" written on the lower left-hand corner of a C. O. D. invoice, indicates that the expressman is to collect from the receiver of the parcel not only its C. O. D. value and express charges (if not paid in advance), but the small fee which the company charges for carrying the money back to the shipper.

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EXERCISE 87. C. O. D. Invoice.

The Avil Printing Company, of Philadelphia, have manufactured for The Beryll Insurance Company, 396 Maryland Ave., Baltimore, the following: 848 Catalogues as per contract, 7¼c. each; 500 8 pp. Folders, $27.30; 2000 Circulars, "Special to Agents," $17.40; 4000 sheets Letter Paper, Printed, $21.50. They send the entire lot by Adams Express, C. O. D. Make out the invoice to be given to the Express Company. Mark it "collect." Remember that this invoice should be receipted by the Avil Printing Company, so that when the Express Agent delivers the case in Baltimore he can present a receipted bill and collect the amount due. Write "Received payment C. O. D." If a duplicate invoice is made out it should be sent by mail but should not be receipted.

EXERCISE 88. Express Company Receipt.

Write the C. O. D. Receipt which the Adams Express Company should give the Avil Printing Company upon delivery of the case and invoice into their hands.

Supplementary Exercises.

75. The population of a city in 1890 was reported as 25,410. It increased 10 per cent between 1880 and 1890, and also 10 per cent between 1870 and 1880. What was its population in 1870?

76. Find the interest on $236.80 from April 3, 1894, to March 13, 1895, at 7½ per cent.

77. Find the cost of 36⅔ yds. of muslin at 6¼c. a yard, less 10 per cent.

78. A lawyer collects for a client 48 per cent of a bill and charges 2½ per cent for his trouble. The merchant receives $234. What was the original bill?

LESSON XLII.

A ***joint-stock company*** is an association of persons incorporated by law for the transaction of some special business for a profit; it is not a partnership, and may be continued beyond the natural lives of its members by their successors, but may not engage in any enterprise not authorized by its ***charter.*** The benefits of co-operation are self-evident. The advantages are its longevity, and the concentration into one large fund of the small capitals of many persons. Certain public ***franchises*** or rights, such as a right of way for a railroad or canal are granted to companies by legislatures. A company may hold real estate, may sue and be sued at law, and perform any act, within the limit of its charter, that may lawfully be done by an individual.

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There is a distinction between a ***corporation*** and a joint-stock company as to the liability of the stockholders. The stockholders elect the ***board of directors*** and they elect the president and other officers. A stockholder has no claim on the company except for his share of the profits earned. The ***dividend*** of a company is its net profit, divided into as many equal parts as there are shares. A ***trust*** is an association of dealers for the purpose of controlling the sale of a certain article. A ***syndicate*** is an association of persons for the purpose of securing a large amount of capital to carry on a business enterprise.

EXERCISE 89. Ledger Practice. Double Entry.

Aug. 1.—Commenced business with cash $2500 and the store and lot which I own, valued at $4000, upon which there is a mortgage of $1200.

Directions.—The $1200 will appear on the debit side of your own account and on the credit side of "Mortgage Payable" account.

Aug. 2.—Deposited $2342.20 in the Farmers' Bank to my credit.

Directions.—In this set keep a separate bank account for the money in the bank. Usually all cash, whether in the safe or till or bank, is kept in one account. Call the bank account simply "Farmers' Bank." Debit it for all money deposited and credit it for all checks drawn.

Aug. 3.—Bought office furniture costing $57.38. Gave my check in payment. (Charge expense.)

Aug. 4.—Bought merchandise invoiced at $2764.20 from Haybridge & Hatter; gave in payment my check for $750, a note at 20 days for $825, balance on account.

Aug. 6.—Paid a wages bill of $14.37 in cash from the till.

Aug. 9.—Sold John Pennymaker & Co. merchandise invoiced at $1843.72; received in payment their check for $942, their note at 60 days for $726.90, balance on account.

Aug. 12.—Had John Pennymaker & Co.'s note of the ninth discounted at the Farmers' Bank to-day at 6 per cent. Proceeds placed to my credit.

Aug. 13.—Cash sales of merchandise this day, $497.20.

Aug. 17.—Deposited cash $1263.90 in the Farmers' Bank.

Aug. 18.—Paid the first payment of $250 on the mortgage on store and lot by check.

Aug. 19.—Bought merchandise invoiced at $984.36. Gave my check in payment.

Aug. 20.—Sold part of my store lot to Jordan, Jennings & Co., for $842.50. Received in payment their check, which I deposit in my bank.

Aug. 21.—Built an addition to my store at an expense of $137.50. Of this sum $19.46 was paid in cash from the safe, $50 by check, and the balance in goods from the store.

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Aug. 23.—Sent Haybridge & Hatter my check for $125, to apply on account.

Aug. 24.—Received from John Pennymaker & Co. cash $112.50, to apply on account.

Aug. 25.—Cash sales of merchandise this day, $396.80.

Aug. 27.—My note due to-day is charged to my account in the bank.

Aug. 31.—Deposited all the cash on hand.

Inventory:—Real Estate, valued at $3500 00
Merchandise, valued at 1563 90
Office Furniture, valued at 40 00

LESSON XLIII.

EXERCISE 90. Balance Sheet.

The balance sheet should be made out before any of the accounts are closed. The August balance sheet will contain the following accounts: (Student); Farmers' Bank; Real Estate; Merchandise; Expense; Haybridge & Hatter; Mortgage Payable; John Pennymaker & Co.; Discount and Interest. The cash, bills receivable and payable accounts balance and need not be entered. Carry the resources and liabilities to their proper columns. The expense account will show a resource of $40 (inventory) and a loss of $31.75. The real estate account will show a resource of $3500, and a gain of $———. The merchandise account will show a resource of $1563.90, and a gain of $———. Immediately under the list of accounts write, in red ink, first *Present Worth*, then *Net Gain*. On the line following Present Worth in the column headed "Liabilities," write in red ink the difference between the resources and liabilities, and on the line following Net Gain in the column headed "Losses," write in red ink, the difference between the losses and gains. Now add all the columns.

A ***commercial draft*** is really a letter from one person to another requesting that a certain sum of money be paid to the person who calls, or to the bank or firm for whom he is acting. Commercial usage recognizes a particular form in which this letter is written and the address of the person for whom it is intended is usually written at the lower left-hand corner instead of on an envelope. Commercial drafts are sent through the banks instead of directly by mail. For instance, if A, of New York, owes B, of Chicago, $100, B may draw a draft on A for the amount and deposit it for collection in his Chicago bank. This bank will forward the draft to a bank in New York City. The New York bank will send a messenger with it to A. If it is a ***sight draft,*** that is, if B wants the money paid *at sight*, immediately, A may give the amount to the messenger and take the draft

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as his receipt. If it is a ***time draft,*** that is, if B gives A *time*, a certain number of days in which to pay the draft, A *accepts* it; this he does by writing the word ***accepted*** with the date and his signature across the face of the draft. He then returns the draft to the messenger who returns it through the banks to B. An accepted draft is really a promissory note, though it is called an ***acceptance.*** When a man pays or accepts a draft he is said to ***honor*** it. In this instance A is not obliged either to pay or to accept the draft. It is not binding upon him any more than a letter would be.

EXERCISE 91. Commercial Draft.

R. M. Hudson, 309 Hudson St., Albany, N. Y., owes Wyndham Weeks, Trenton, N. J., $89.27. Weeks draws on him to-day at sight for the amount. He makes the draft payable to the order of himself (write, *myself*), and deposits it in the First National Bank for collection. Write the draft. Write out this draft in the form of a letter on a separate sheet of paper.

Supplementary Exercises.

79. The inside dimensions of a rectangular fort are 210 feet by 180 feet. The stone wall surrounding this space is five feet thick and 12½ feet high. How many cubic feet of masonry are there in the wall?

80. The floor, walls, and ceiling of a room 18 feet long, 17½ feet wide, and 12½ feet high, are made of inlaid walnut, oak and rosewood. Find the cost of the work at $2.75 a square foot.

LESSON XLIV.

Business men find it convenient to ***make collections by draft.*** A debtor is more likely to meet a draft than he is to reply to a letter and enclose his check. There are some houses that make all their payments by check, while there are others that prefer to have their creditors at a distance draw on them for the amounts due. If a business man fails to honor the draft drawn upon him it may injure his credit with the banks of the city in which he does business. The messenger who presents a sight draft is not authorized to accept a check in payment, but the *drawee* (person upon whom the draft is drawn) may write across the face, "Accepted, June —, 190—, payable at First National Bank," or whatever the date and bank should be, and under this write his own name. It will then be an order on his bank to pay the money for him and he must enter it in his check book just the same as though he had issued a check for the amount.

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EXERCISE 92. Commercial Draft.

Barton Burke, 47 Exchange St., Buffalo, owes an account of $239.40 to Clarence Clarkson, 406 State St., Boston. Clarkson draws on Burke at 30 days' sight for the amount. He makes the draft payable to the order of the Fifth National Bank and deposits it. The draft is forwarded to Burke who accepts it making it payable at the Niagara Falls Bank. Write the draft and acceptance. Date the draft to-day and the acceptance five days later.

Questions.—When will this acceptance mature? If this draft were drawn "one month after date," when would it mature? How does it differ from a sight draft? If Burke refused to accept the draft what would be done with it? What indorsement will appear on this draft?

EXERCISE 93. Commercial Draft.

Duncan Donaldson, 97 West Georgia St., Atlanta, Ga., orders merchandise costing $94.20 from Edwin Eggleston, Chicago, and asks him to draw at sight for the amount. Write the draft. Make it payable to the order of Frank Fuller, Springfield, Ill. Frank Fuller indorses this draft "For collection for credit of Frank Fuller," and deposits it in his bank for collection. Write the indorsement.

Your ***bank check*** is really your ***sight draft*** on your bank. Of course it differs from an ordinary commercial draft not only in its wording but in its purpose. A check is used for paying money to a creditor, while a draft is used as a means of collecting from a debtor. The bank is obliged to pay your check if it has funds of yours sufficient to meet it, while the person upon whom your draft is drawn may or may not honor it at his pleasure. Banks keep money on deposit in one or more other banks located in some of the commercial centres. Nearly all large banks keep money on deposit with one or more of the New York City banks. A ***bank draft*** is simply the bank's check drawing on its deposit with some other bank. Banks sell these checks to their customers. Merchants make large use of these drafts, or cashier's checks as they are sometimes called, in making remittances from one part of the country to another. These drafts or checks pass as cash anywhere within a reasonable distance of the money centre upon which they are drawn. Bankers' ***drafts on New York*** would under ordinary financial conditions be considered cash anywhere in the United States. The student must be very careful not to confuse *commercial drafts* with *bank drafts*.

EXERCISE 94. Bank Draft.

The Delaware Dairy Company, of Darby, Pa., has money on deposit in the Citizens' National Bank of that town. They owe Elias Rogers, of Earlham, Ind., $93.20. Instead of sending their own check by

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mail they consider it safer to send a bank draft. They therefore write their check for the amount wording it, "Pay to the order of *Phila. Dft.*" and hand it to the receiving teller. A clerk writes up the draft for them and the cashier signs it, and over his signature in a slanting position he writes in red ink the amount $93.20. He does this so that the amount cannot possibly be changed without spoiling the signature. There are other methods of protecting checks against fraudulent persons, the most common of which is to punch out the figures with a small machine invented for this purpose. The cashier's name is Roger Williams. The draft is drawn in the Delaware Dairy Company's favor. They indorse it making it payable "to the order of Elias Rogers, Earlham, Ind." They write the address so that no other Elias Rogers can possibly collect the draft. Write this draft.

Supplementary Exercises.

81. Find the interest on $269.84 for 143 days at 5½ per cent.

82. A merchant's resources are $4672 and his liabilities are $5840. How much can he pay on the dollar?

83. A wholesale dealer sold at a profit of 25 per cent to a retailer who compromised with his creditors at 40 cents on the dollar. How much did the wholesale merchant actually lose on an account amounting to $840?

84. When wheat is $1.25 a bushel, flour is $6 a barrel. What should be the price of flour when wheat is 90 cents a bushel, the cost of making a barrel of flour being 37½ cents.

LESSON XLV.

EXERCISE 95. Business Correspondence.

The Delaware Dairy Company, of Darby, Pa., owe a bill of $93.20 to Elias Rogers, of Earlham, Ind., for three new patent milk condensers which they bought from him. The machines give excellent satisfaction. They desire to order three more, but wish to have Rogers send on with the machines, and at their expense, an experienced man who can put them up. Write the letter ordering the condensers and enclosing a draft for the amount of the bill already due.

Supplementary Exercises.

85. Write a note to D. T. Ames Company, 202 Broadway, New York City, calling their attention to an error in a small order of books which you received from them to-day.

86. Prepare a deposit slip for a bank, the deposit to consist of coin, bank notes, express orders, local and out-of-town checks.

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LESSON XLVI.

There are several comparatively safe methods of sending ***money by mail.*** Checks and bank drafts have already been described. The post-office department provides ***money orders*** for sums not exceeding $100 at an expense of from 3 cents to 45 cents, according to the amount of the order. These are simply orders drawn by a postmaster at one place on a postmaster in another, asking him to pay to a particular person the sum named in the order. The actual money is not transmitted. The order, which you enclose in your letter, contains the name of the person to whom the money is to be paid, but not the name of the sender. The postmaster issuing the order sends to the postmaster upon whom the order is drawn an *advice*, numbered and dated to correspond with the order and containing the name of the person buying the order. This advice is really the *stub* of the order and the postmaster who is asked to pay the money will not pay it until the advice is received. He must also satisfy himself as to the identity of the person to whom the money is to be paid. To obtain a money order it is necessary to fill out a printed blank provided for the purpose at the post-office. In filling out this blank be careful to write the names asked for correctly. When paying a money order the postmaster asks the person receiving the money to receipt the order. A post-office money order may be transferred by indorsement, but only once. In case of loss of a money order a duplicate will be issued if application is made to either the issuing or the paying postmaster. The duplicate will be issued by the department at Washington and forwarded to the person making application. All the leading express companies issue ***express money orders*** payable at any of the larger offices of these companies. They are negotiable anywhere and banking institutions take them as they would bank drafts. Any person can buy an express money order by simply paying the amount of the order and the fee (5 cents for $5; 20 cents for $50) to the express agent. It is necessary sometimes to send ***money by telegraph.*** This is more expensive than other methods. Only the larger telegraph offices are money order offices. The rate is one per cent of the amount of the order plus double the tolls on a single message of fifteen words between the transfer places. Money or other valuables may be sent by ***registered letter*** from any post-office in the country. Besides the address, the letter or parcel to be registered must have the name and address of the sender plainly written or printed upon it. The registration fee is eight cents in addition to the regular postage. The sender receives a

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receipt from the postmaster. It is absolutely safe to send ***money by express.*** When money is sent in this way the bills are placed in a heavy envelope provided by the express company. This envelope the agent seals with wax, stamping the name of the company upon the wax, so that the package cannot be tampered with by any one through whose hands it may pass. The lowest fee is 15 cents for $20 or less. Larger fees are charged for larger amounts.

EXERCISE 96. Carpet Invoice.

The E. R. Holman-Kreichler Company, Philadelphia, sold to Mrs. Silas Warner, 269 Threadneedle St., the following bill of goods: 43½ yds. All Wool Carpet, $1.35; 62 yds. Wilton, $2.12½; 42½ yds. Moquette, $1.75; 18½ yds. Tapestry, 97c.; 3 Persian Rugs, 6 × 9, $15 each; 4 Turkish Rugs, 4½ × 7, $9.75 each; 47 yds. Matting, 35c.; Making and Laying Carpet ——— yds., at 7c. a yard. Ten per cent from entire bill for cash. Make out this bill and receipt it.

Supplementary Exercises.

87. Answer the advertisement below, describing the sort of room you wish, stating the price you can pay, and giving the name of some person as reference:

> BOARD.—A few boarders can be accommodated with a small family in desirable part of the city. References exchanged. Address: Mrs. Emma R. Walker, 469 Grand River Ave.

88. John Henry Wood, Box 735, Providence, R. I., answers the following advertisement. Mr. Donaldson replies, giving a full description of the farm, stating price, reasons for selling, and other facts which the purchaser may wish to know. Write the letter for Mr. Donaldson.

> FOR SALE.—A farm of seventy-five acres, fifty acres under cultivation. Near market. Price low. Easy terms. For full particulars address David Donaldson, Winthrop, Mass.

LESSON XLVII.

A ***bill of lading*** is an acknowledgment by a transportation company of the receipt of goods specified, and contracts for their delivery at a certain place, under conditions stated therein, upon payment of freight and expenses. Bills of lading are of no value apart from the particular goods to which they give a title. A bill of lading goes with certain *named* goods and cannot be transferred to other goods of the same kind and price.

The freight conductor's sheet containing a list and description of the goods sent by a railroad is called a ***way-bill.***

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EXERCISE 97. Railroad Bill of Lading.

The P. W. & B. R. R. Co. received from the Dunn Shoe Co., Philadelphia, 2 Cases Shoes, marked [E], gross weight 850 lbs., consigned to Eagle Shoe Store, 21 Main St., Williamsport, Pa. Write the bill of lading. First class, rate 50 cents per 100 lbs., no charges advanced. Pa. car 20,112. Sign for the agent.

Special Note. — The *conditions* which usually appear on a bill of lading are in substance as follows: 1. The carrier shall not be held liable for loss or damage by causes beyond his control. 2. The carrier is not bound to carry by any particular train or vessel, or in time for any particular market. 3. The carrier shall not be liable for loss or damage not occurring on its own road, or its portion of the through route. 4. All property shall be subject to necessary cooperage and baling at owner's cost. 5. Property not removed by consignee within 24 hours after arrival will be held subject to lien for charges. 6. The carrier will not be liable for any articles of extraordinary value, except by special agreement. 7. Persons shipping dangerous goods without previous written disclosure of their nature shall be liable for all loss caused thereby. 8. Alterations in the bill of lading made without the special notation of carrier's agent on the bill, are void. 9. If the word "order" is written hereon, immediately before or after the name of the party to whose order the property is consigned, the surrender of the bill of lading, properly indorsed, shall be required before the delivery of the property at destination. 10. Freight must be paid according to weights ascertained by carrier. 11. Carriage by water, if any, shall be performed subject to the conditions of the bill of lading.

Supplementary Exercises.

89. Find the cost of a square mile of farm land at $6.35 an acre.

90. A map is drawn on a scale of 10 miles to an inch, and a township is represented on it by a square whose side is half an inch. How many acres in the township?

91. What will it cost for sufficient lumber to build a tight board fence 5 feet high around a 19-acre field, 80 rods long, if lumber costs $17.50 per M?

92. What will it cost to bronze a cube, each edge of which is 3 feet, at 2½ cents a square inch?

LESSON XLVIII.

Notes and ***acceptances*** are usually collected through the banks. They should be left with the bank at least fifteen days before maturity. About ten days before maturity the bank will send to the maker a formal notice stating that they hold a note against him, giving the amount and date of maturity, and asking him to call at the bank and pay it. When a note is left at the bank for collection, it should be indorsed "Collect for account of A—— B——." By this indorsement the note is not transferred to the bank. The bank is simply authorized to collect the amount.

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EXERCISE 98. Promissory Note.

On March 17, Martin Chuzzlewit gave Nicholas Nickelby a ninety-day note drawing interest at 6 per cent, in payment of an account of $848. On the day of maturity Chuzzlewit paid $200 to cover the interest and part of the principal, and gave a *renewal* at two months with interest at 7 per cent for the balance. Write the renewal making it payable at the Exchange National Bank. (No grace.)

Questions.—When will the renewal mature? What will be due at maturity? If there are no indorsers, is an unpaid note as good after maturity as before? Could this note have been conveniently renewed if Nickleby had transferred it to A and A to B and B to C?

EXERCISE 99. Bank Check.

J. R. Wood keeps his money on deposit in the Northwestern National Bank of Pittsburgh, Pa. A note for $49.37 which he gave Henry Hardman is due to-day at his (Wood's) bank. Wood gives his check to the receiving teller and takes up the note. Write the check.

Directions.—This check should be drawn "Pay to the order of *Bills Payable*." If the note were drawn payable at the bank, the bank would take $49.37 from Wood's account and pay it, but they prefer, usually, to have a check handed in and the note taken up.

If the drawer of a ***draft*** owes some one in the same city or town with the person upon whom he draws, he may make the draft payable to this creditor and send it to him by mail. The creditor will deposit it for collection. For instance, if A of Boston owes B of New York $250 and C of Philadelphia owes A $200, it may be convenient for A to draw a draft on C for $200 in B's favor and to enclose this with his check for $50 in a letter to B to settle his indebtedness in New York. B deposits the draft in his bank for collection. It is forwarded to a Philadelphia bank and from there it is sent by messenger to C who pays it if it is a sight draft and accepts it if it is a time draft. This is called a ***three party draft.***

EXERCISE 100. Commercial Draft.

Isaac Inkerman, of 92 Wall St., New York City, owes James Johnson & Co., 295 Chestnut St., Philadelphia, $125, and King Kilpatrick, of 498 N. Broad St., Philadelphia, owes Inkerman $500. Inkerman desires to pay Johnson & Co.'s account. He draws at sight on Kilpatrick for $125 and sends the draft by mail to Johnson & Co., who deposit it in the Ninth National Bank for collection. The draft is presented by a bank messenger to Kilpatrick who accepts it making it payable at the Second National Bank. Write the draft as it will appear when paid. Date to-day and acceptance four days later.

Questions.—What entries would Inkerman make in his books? What entries would Kilpatrick make? What entries would Johnson & Co. make? How much

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time may Kilpatrick have, after the draft is presented at his office, in which to pay it? Does "ten-days' sight" mean ten days after the draft is *seen*? Who will have the *paid* draft? If Johnson & Co. do not acknowledge the draft, will Inkerman have any receipt?

Supplementary Exercises.

93. Invoice: Gross amount, $3698.42, with 40, 10 and 5 off. Find net amount.
94. Invoice: Gross amount, $2684.33, with 30, 20 and 2½ off. Find net amount.
95. Invoice: Gross amount, $3724.80, with 10, 2½ and 1 off. Find net amount.
96. Invoice: Gross amount, $9843.60, with 30, 2½ and ½ off. Find net amount.
97. Invoice: Gross amount, $1002.10, with 12½, 10 and 5 off. Find net amount.

LESSON XLIX.

The account books of ***manufacturing*** concerns are of a great variety of forms. Each kind of manufacturing requires the use of books and of business forms and methods specially adapted to its work. The manufacturer, to be successful, must anticipate the market, for the constantly varying supply and demand will affect prices and profits. Before making up his ***trade quotations*** he must consider the cost of raw material, of labor in producing the goods, of his running expenses, and of placing his goods in the market. Some of these are affected by the volume of business which it is possible for him to do. The manufacturer must calculate his profit upon the cost and not on the selling price.

EXERCISE 101. Manufacturer's Invoice.

The Chicago Print Works, 394 Beaver St., Chicago, sold to Laird, Lonsdale & Co., Dubuque, Iowa, the following goods: Case #948, 12 pieces Percale, #246—32^2 33 31^2 29^3 30 32 31^3 33^2 31 30 32^1 33^2—9¼c. Case #949, 8 pieces Bristol Chambray, #964—32 34 33^2 34^2 35^3 34 32 33^2—12¾c. Case #950, 12 pieces Printed Lawns #809—24^2 25^3 24 26^3 22 23^2 24^2 25^3 22^3 24 25 24^3—7½c. Case #951, 18 pieces Windsor Prints, #1046—25^3 24^2 23 24 23^3 22 24 23 25 24 23 24^3 23 22^2 25 24 26 22—6¾c. Case #952, 24 pieces Scotch Chambray (assorted)—29^2 30 31 32^3 30 29 31 33^2 32 29^3 29 30 31^2 32 33 32 31^1 31 29 29^2 29 30 33^2 31—14c. They charge $2.75 for packing and cases. Date to-day. Folio 342. Sales book 24. Make out this invoice.

Questions.—Can you think of any reason why the packing cases should be numbered? What is meant by "60 days, 2 per cent in 10 days?" If you were employed in this house and Mr. Ballingtine asked you to see that these cases were shipped, tell fully what you would do, or what you would order done.

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Supplementary Exercises.

98. A barrel of sugar containing 280 pounds cost $21. In weighing it out it lost 5 per cent. What per cent was gained by selling it at 10½ cents a pound?

99. A merchant buys goods at 20 per cent, 10 per cent and ½ per cent from the list prices, and sells them at 25 per cent from the list prices. Find his profit on a sale of $10,080.

LESSON L.

EXERCISE 102. Bill of Lading (Original).

The Sunshine Soap Company, 963 Michigan Ave., is sending by the Trade Despatch and Wyoming Pacific 50 cases of Sunshine Soap, Grade AB, weight 40 lbs. per case, marked [ME], to Marshall Eddy & Co., Cheyenne, Wyoming. Make out the bill of lading. Date to-day. No advanced charges. Wyo. Pac. car No. 10,014. Rate, 75 cents per 100 lbs. First class. Sign for the agent.

The parties to a ***bill of lading*** are three, the shipper, the consignee, and the transportation company. The declaration of having received the goods in apparent good order and the consequent obligation of delivering them in like good order and condition, is sensibly lessened in its importance by the additional clause now adopted by almost all transportation companies: *contents and condition of contents of packages unknown.* Should the goods or part of them be shipped in an apparently damaged state, or in a bad condition of packing, a note to that effect should be made by the transportation company on the bill of lading, which ceases then to be a ***clean bill of lading***. When a shipper does not wish to transfer the ownership of the property at the time the bill of lading is made out, a ***bill to order*** is usually drawn up, wherein the consignee's name is superseded by the words, ***shipper's order***, or simply, *order*, or the shipper's name may be given as consignee; it being thus understood that the goods shall be delivered to whosoever presents, at point of destination, the bill of lading duly indorsed by the shipper, or accompanied by a letter from the shipper, directing their delivery to the bearer of the letter. Note clause 9 in the "conditions" relating to bills to order (special note, page 63). A bill of lading may be either deposited with a creditor as a security for money advanced, or transferred to a buyer by means of indorsement, and the property of goods will be thereby either mortgaged or assigned. Bills of lading, if to order, are thus practically negotiable. The words "Not negotiable," with the notice accompanying them on the face of the bill, give the carrier the right to deliver the goods to the consignee without requiring the surrender of the bill of lading, if the bill is not made to order.

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EXERCISE 103. Bill of Lading (Duplicate).

Make a memorandum copy of the Bill of Lading required by the Sunshine Soap Company. (Exercise 102.)

Questions. — What is the advantage to the shipper of having a bill of lading? Why are they sometimes issued in duplicate? Why are there different classes of freight? What is meant by "1½ times first class"? What do the names "Trade Despatch," "Merchants' Transportation," "Erie Despatch," etc, signify? How are freight rates regulated?

When a shipment is made, a bill of lading is made out, as we have seen, signed by the carrier's agent and given to the shipper. At the same time the shipper signs and gives to the carrier a *shipping order* which sets forth the same details as the bill of lading. The two forms are often made out (excepting the signatures) at one writing by the use of carbon paper.

EXERCISE 104. Shipping Order.

Make out the shipping order for the Sunshine Soap Company. (Exercise 102.) Sign it for the company, per Benj. Ellis, shipping clerk.

Supplementary Exercises.

100. Principal, $2468.20. Time, 143 days. Rate, 7 per cent. Find interest.

101. Principal, $6002.45. Time, 206 days. Rate, 6⅛ per cent. Find interest.

102. Principal, $2462.75. Time, 5 months 13 days. Rate, 8 per cent. Find interest.

LESSON LI.

EXERCISE 105. Business Correspondence.

Peter Carter Bros. Company, of Lincoln, Neb., owe the Berlin Cotton Mills, 53 S. Jersey St., Trenton, N. J., an account of $396.45. The latter concern notifies Carter Bros. Company that they will draw on them at sight in ten days, and that they shall expect the draft to be honored. Carter Bros. are sure they cannot meet the draft, notwithstanding the fact that the account is long overdue. Their own collections have been slow owing to the business depression in the West. Act for Paul Carter and write a letter to this creditor, stating the situation fully and

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frankly, enclosing a check for as large an amount as possible, and asking for an extension of time on the balance. Let your letter be such as will retain the confidence of your creditor.

Supplementary Exercises.

103. English invoice, £212 16*s.* 6*d.* Find the value in American money. Exchange, $4.86.

104. English invoice, £13 17*s.* 9*d.* Find the value in American money. Exchange, $4.87½.

105. English invoice, £342 9*s.* 7*d.* Find the value in American money. Exchange, $4.88.

LESSON LII.

It is often an advantage to obtain a ***promissory note*** from a debtor. He is more likely to pay the amount at maturity than if he simply gave a verbal promise. It will injure his credit if he allows his *paper* to go to protest. There is no disputing a claim after a note has been given in settlement except under very extraordinary conditions. The note may be used by the creditor as a means of raising money for his own use. If his credit is good he can get it ***discounted*** at his bank. To discount a note at a bank is to sell it to the bank. The bank deducts interest from the face of the note and pays the balance called the ***proceeds*** to the seller. This interest, or discount as it is called, is really the simple interest paid in advance for the number of days the note has to run. Notes received and given by commercial houses are not usually for a longer period than ***four months***, for the reason that most banks refuse to discount paper for a longer period. Commercial notes do not usually draw interest. If interest should in justice be paid the amount is added to the face of the note when making it out. In any case the discount is reckoned on and deducted from the *amount due at maturity*. The *time* is always the number of days from the date of discounting and the date of maturity. In some States both the first and last days are counted.

EXERCISE 106. Ledger Practice. Double Entry.

Sept. **1.**—Borrowed cash $3500 from A. R. Weed, with which to begin business.

Sept. **2.**—Bought of Bancroft Goodwin on account merchandise, $2932.45.

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Sept. 3.—Sold merchandise for cash, $593.80.

Sept. 5.—Gave A. R. Weed our note at ten days for $763.25.

Sept. 7.—Sold Dillon Bronson on account, merchandise, $913.27.

Sept. 8.—Sold Fred Snelgrove merchandise invoiced at $504.20. Received in payment cash $232.40, and his note at ten days for the balance.

Sept. 9.—Had Fred Snelgrove's note discounted at the First National Bank. Discount, $2.14. Balance placed to our credit.

Directions.—Credit your Bills Receivable account with the full amount of the note and debit cash with the actual cash placed to your credit, and charge (debit) the $2.14 to a "Discount and Interest" account.

Sept. 10.—Paid Bancroft Goodwin, cash on account, $324.65.

Sept. 11.—Lost by fire, merchandise, $205. Received insurance in cash $150.

Sept. 13.—We gave our note at thirty days for $1000 to A. R. Weed.

Sept. 14.—Bought merchandise for cash, $563.20.

Sept. 15.—Paid office expenses in cash, $37.25.

Sept. 16.—Gave our note for $300 at ten days to Bancroft Goodwin.

Sept. 18.—Paid our note due to-day in cash, $———

Sept. 20.—Cash sales of merchandise this day, $139.65.

Sept. 21.—Dillon Bronson paid cash on account, $625.

Sept. 22.—Paid a wages bill of $22.43 with goods from the store.

Sept. 23.—Paid Bancroft Goodwin cash $257.50, to cover an account of $250, and interest $7.50.

Directions.—Credit cash for the full amount. Debit Goodwin for the $250 and charge the $7.50 to "Discount and Interest."

Sept. 24.—Sold Fred Snelgrove on account merchandise invoiced at $204.36.

Sept. 25.—Fred Snelgrove returned goods valued at $13.20 from the lot sold him yesterday. We give him credit on his account.

Note.—If a credit memorandum were given Snelgrove as would be the case in large retail stores, no entry whatever in the ledger would be made of the goods returned.

Sept. 27.—Bought of Bancroft Goodwin merchandise invoiced at $427.80. Gave in payment cash $100 and our note at thirty days for $150. Balance on account.

Sept. 29.—Paid our note due to-day in cash, $———

Sept. 30.—Sold our entire stock of merchandise for cash, $1923.65.

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LESSON LIII.

EXERCISE 107. Balance Sheet.

Prepare a balance sheet for the September set (Exercise 106).

EXERCISE 108. Commercial Draft.

Andrew Anderson, 49 State St., Chicago, owes Bruce Bannerman, 905 Missouri Bldg., St. Louis, an account of $436.93. Bannerman draws on Anderson June 5, at "thirty days after date," for the amount, and sends the draft (to apply on account) to Charles Clarke, 42 Main St., St. Paul, in whose favor the draft is drawn. Clark indorses the draft and has it discounted in Brown Bros.' private bank. Brown Bros. forward the draft for acceptance. Anderson accepts it on June 10, making it payable at the Farmers' Bank of Chicago. Write the draft as it will appear when paid.

Questions.—How many accounts does this draft pay? Bannerman does not indorse the draft. Will he be responsible for its payment if Anderson fails to pay it? If discounted at 8 per cent, how much cash should Brown Bros. pay for it?

LESSON LIV.

In a retail business, ***item ledger accounts*** are necessary, where small sales are made on credit, and are more convenient than constant reference to original books. Most original credit and cash entries in retail stores are made on ***duplicate printed slips*** which are filled out by the salesmen. From these slips the charges are made direct to the ledger accounts. A convenient form of retail ledger is illustrated in the accompanying exercise. The ledger leaf is divided unevenly, the larger space being given to the debit side.

EXERCISE 109. Retail Double Entry Ledger.

Directions.—This form of ledger is convenient for entering the items of the personal (receivable) accounts in any ordinary retail business. Several debit items can be written on one line and the total carried to the money column. The page of the order book, or the number of the order slip, from which the items have been taken should be entered in the extra column. When a cash payment is made, it is not necessary to write more than the date, the word "cash," the page of the cash book from which transferred, and the amount. The balance due at the end of the month should be brought down under complete ruling or in pencil, so that in making out the bill for the following month the first item may simply be the balance for the month preceding. The items given are from a grocer's account.

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Sales.—Sold Byron Handycraft, 42 Deer Park Ave., as follows: *Aug. 3* (p. 59), 13 lbs. Sugar, 85c.; 7 lbs. Raisins, $1.05; 2 lbs. Tea, 80c. *Aug. 5* (p. 74), 5 lbs. Butter, $1.25; 2 lbs. Coffee, 68c.; 2 lbs. Biscuit, 30. *Aug. 7* (p. 96), 1 bbl. Flour, $7. *Aug. 8* (p. 107), 6 lbs. Brown Sugar, 30c.; Mustard, ½ lb., 25c.; 3 oz. Nutmeg, 24c.; ¼ lb. Cinnamon, 12c.; 5 lbs. Cleve. Baking Powder, $1.90; 2 lbs. Butter, 50c.; 2 pkgs. Wheatlet, 32c. *Aug. 15* (p. 207), 2 bot. Halford's Sauce, 74c.; 1 Broom, 30c. *Aug. 19* (p. 294), 3 doz. Eggs, 60c.; 1 Lem. Extract, 20c.; 2 lbs. Cheese, 36c. *Aug. 24* (p. 341), 12 bu. Potatoes, $15. *Aug. 26* (p. 350), 3 cans Pears, 75c.; 8 cans Cherries, $1.60; 3 cans Peaches, 90c.; 6 lbs. Raisins, 90c. *Aug. 29* (p. 362), 3 lbs. Lard, 54c. *Sept. 4* (p. 24), 1 bbl. Flour, $7. *Sept. 9* (p. 39), 3 lbs. Butter, 75c.; 4 lbs. Cheese, 72c.; 13 lbs. Sugar, 85c.; 2 lbs. Raisins, 30c. *Sept. 10* (p. 42), 2 lbs. Coffee, 68c. *Sept. 12* (p. 47), 3 doz. Lemons, 60c.; 4 doz. Oranges, $1.20. *Sept. 15* (p. 60), 3 cans Tomatoes, 36c. *Sept. 16* (p. 68), 3 lbs. Biscuits, 30c.; 2 cans Cocoa, 80c. *Sept. 18* (p. 72), 6 jars Jellies, 72c.; 2 lbs. Butter, 50c. *Sept. 20* (p. 81), 2 lbs. Tea, 90c. *Sept. 22* (p. 103), 13 lbs. Sugar, 85c.; 2 lbs. Coffee, 68c.; 6 lbs. Brown Sugar, 30c.; 6 pkgs. Wheatlet, 96c.; 2 bot. Halford's Sauce, 74c. *Sept. 24* (p. 113), 1 Lem. Extract, 20c.; 1 box Soap, $1.35; 12 lbs. Rice, 84c.; 3 lbs. Prunes, 27c. *Sept. 25* (p. 124), 1 lb. Soda, 9c.; 5 lbs. Starch. 40c. *Sept. 26* (p. 132), 3 bot. Bluing, 75c.; 2 lbs. Tea, 90c. *Sept. 27* (p. 141), 2 Hams, $2.20. *Sept. 29* (p. 150), 8 cans Cherries, $1.60; 3 qts. Vinegar, 24c.; 3 cans Pears, 75c.; 12 bu. Potatoes, $14.50; 2 lbs. Cheese, 32c. (Note that the total prices and not the prices per pound, etc., are given.)

Credits.—Byron Handycraft is credited with the following payments: *Aug. 10* (p. 37), Cash, $5. *Aug. 20* (p. 41), Cash, $7.50. *Sept. 3* (p. 68), Cash, $10. *Sept. 15* (p. 75), Cash, $5. The account should show the balance due September 1 and also October 1.

Supplementary Exercises.

106. Gross invoice, $2469.25. Discounts, 20, 10 and 2½ off. Find net amount.

107. Gross invoice, $3924.69. Discounts, 30, 2½ and ¼ off. Find net amount.

108. Gross invoice, $5062.40. Discounts, 40, 10 and 2 off. Find net amount.

LESSON LV.

It often happens that a person puts his name on a promissory note or accepts a draft without receiving any consideration for so doing, but simply as an ***accommodation*** for one of the parties to it, intending thereby to give the paper credit, and thus to enable the accommodated party to negotiate it. If the party giving the accommodation is obliged to pay the note or acceptance, he can recover the amount from the accommodated party if he has any available resources. If A desires B to lend him his credit in this way he writes a note payable to B's order and signs it himself. He then gets B to indorse the

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note. The bank holding the note will apply to A the maker for payment. B need not bother in any way about the note except A should fail to meet it at maturity.

EXERCISE 110. Manufacturer's Pay Roll.

Make out a *pay-roll* for the week ending August 25, 190—, having given the following particulars: Chas. Price, 8-8½-8-8½-9-8, 40c., $2.50 advanced. Henry Burns, 9-9-9-8½-9-9, 42c. John Knott, 8-8½-8-7½, 42c. (Ill two days). Robert Kempis, 7-8-7½-6-6-9, 43c., $5 advanced. George Peterson, 9-8-8½-9-9-9, 45c. Albert Bronson, 8½-8-8-7-3-4, 45c., $5 advanced. Edgar Barr, 8½-8-7½, 43c. (Dismissed). Edwin Ball, 9-8-8-9-9-9, 50c. Wm. Miles, 8½-8-7-3-3½-5½, 42c., $2.50 advanced. Patrick O'Brien, 8-8-8½-9-9-9, 42c. Robt. Gilroy, 9-9-9-8½-8½-8½, 43c., $1 advanced. Jas. Piper, 8-7-7-6½-6½-6½, 48c., $10 advanced. Duncan McKay, 8-9-8-7-7-7½, 48c. Enter the bills and silver necessary.

EXERCISE 111. Bank Check.

Thomas R. Walmsley keeps his money on deposit in the Farmers' Bank, Baltimore. The last check drawn was No. 2043. He wishes to draw money for his pay-roll (Exercise 110) and desires convenient "change." Write the check.

Note.—Where the amount to be drawn is large, the "change" memorandum should be handed to the paying teller early in the day, so that he or his assistants may have time to make up the bills and coins called for.

Supplementary Exercises.

109. Note, $498.50. Date, August 3, 90 days. Discounted, August 3, 6 per cent. Find proceeds.

110. Note, $984.63. Date, September 9, 3 months. Discounted, September 12, 6 per cent. Find proceeds.

111. Note, $804.75. Date, March 2, 60 days. Discounted, March 9, 6 per cent. Find proceeds.

112. Note, $756.44. Date, November 3, 4 months. Discounted, December 15, 6 per cent. Find proceeds.

LESSON LVI.

Goods bought in a ***foreign country*** are invoiced to the buyer in the weights, measures and currency of the place where they are bought. The invoices are certified by the resident American consul as being the current market prices at that time and place. ***Manifests*** and invoices must be presented at the custom house where they are

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imported, and the goods, or a sufficient sample, are there examined and appraised. ***Duties*** are paid in accordance with the special ***tariff*** relating to the article. A ***specific*** duty is a certain rate per quantity; an ***ad valorem*** duty is a percentage upon the foreign value of the goods. ***Tare*** is an allowance made for the weight of boxes, bags, etc., containing the goods. A ***port of entry*** is a town or city in which a custom house is located. No goods can be legally imported except at the regular ports of entry. ***Smuggling*** is secretly bringing goods into a country to avoid the payment of duty and is a criminal offence. A ***bonded warehouse*** is a building used for the storage of imported merchandise until the duties shall have been paid. Goods held for duty are said to be ***in bond.***

EXERCISE 112. Salesman's Order Blank.

On July 7, at 9 a. m., Mrs. Jno. Bryant, 20 St. Mary St., ordered the following groceries from Warden & Gerrow, and asked that they be delivered at noon: 3 lbs. Butter, 30c.; 10 lbs. Gran. Sugar, 7c.; 2 lbs. Biscuit, 15c.; 2 cans Tomatoes, 13c. Order taken by Fraser and put up by Brown. Make out the order blank.

EXERCISE 113. Deposit Ticket.

Henry Albertson has an account with the First National Bank of Liverpool. On December 3, 190—, he makes the following deposit: Bills, $150; gold, $5; silver, $4; check on Farmers' Bank, Liverpool, $27.36; draft on New York, $42.95; check on Medford, Mass., $2.40; P. O. money order, $7.65. Make out the deposit ticket.

EXERCISE 114. Receipt.

Robert Abercrombie borrowed of Silas Wiggins $75, payable on demand with interest at 8 per cent. Date to-day. Write the receipt. How does a receipt like this differ from a note?

EXERCISE 115. Receipt.

Write a receipt for money paid you by one person in part payment of an account which is due you by another. Date to-day. Sign your own name.

Supplementary Exercises.

113. A manufacturer imported from England 35 bales of raw product, weighing 440 pounds each; tare, 5 per cent; cost, 2½*s.* per pound; specific duty, 6 cents per pound; ad valorem duty, 10 per cent; freight, $124. What was the entire cost?

114. If the duty on plate glass is 35 cents per square foot, find the duty on 325 boxes, each containing 22 plates, and each plate being 26 inches by 30 inches.

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LESSON LVII.

The captain of every ship must, within a certain number of hours after arrival at any port and before "bulk is broken," deliver to the customs office the ***ship's report*** or manifest. This is a declaration of her cargo and the stores existing on board, the whole signed by the captain, and drawn up in a prescribed form. Goods entered without payment of duties are stored in one of the bonded warehouses. The advantage that trade derives from such a system is that newly landed goods may be kept for a considerable time unsold in a secure place, and waiting for a favorable market, before payment of the duties due thereon. The captain of a ship preparing to sail must have her entered outwards at the custom house before taking any cargo on board. When the cargo is completed, the captain is delivered a manifest of the goods shipped, and, upon approval, the vessel is ***cleared*** outwards.

EXERCISE 116. Paper Invoice.

The Red-Letter Publishing Company, of Chicago, bought of The Wallace Paper Company, of the same city, 342½ rms. 24 × 32 (special), Antique Cover, 65 lbs., 7½c.; billed at "30 days, ½ per cent cash." Make out the bill. Date to-day. The Red-Letter Publishing Company paid one-half the bill in cash to-day, deducting the discount. At the end of thirty days they give a thirty-day note for the balance, adding to the face of the note ½ per cent interest per month. Make the proper receipt forms on the bill.

EXERCISE 117. Bank Check.

Dombey & Son keep their money on deposit in the West Philadelphia Bank. The last check drawn was No. 4286. They owe Charles Dickens $2421.94, and they pay him by check. Dickens indorses the check for deposit in the Strand National Bank. Write the check and indorsement.

Questions.—Can you think of any advantage in having the money amount in figures at the right of the check instead of at the left? If Dickens loses this check (1, before indorsing; 2, after indorsing), can it be collected?

Supplementary Exercises.

115. Divide $28,217 between two men, giving one three-fourths of what the other receives.

116. A debt of $429.50 was due March 3. It was not paid until December 13 following. Interest at the rate of 7½ per cent was charged. What was the amount of the check necessary to cover the debt?

117. A note for $305.50 is dated April 3 at 90 days. It is discounted at a bank April 20 at 5½ per cent. Find the proceeds.

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LESSON LVIII.

The principal feature of a ***warehouse receipt*** or warrant, as used in trade, is that it fairly represents at any time the goods warehoused, and may, therefore, be either transferred to a buyer, or given as ***collateral*** (additional) security for money advanced to the owner. A merchant possessing warehoused goods, and wishing to have at his disposal the amount of money thereby represented, or part of it, without losing the ownership of the goods, can easily find a banker ready to advance him the required sum.

EXERCISE 118. Hardware Invoice.

Baker, Walker & Co., 465 Centre St., Chicago, sold to Peter Weinshaft, 42 Dix St., the following articles: 10 pr. Union Knobs; 30c.; 1 set Bronze Butts, $2; 1 Oil Stove, $4.50; 1 Steel Square, $1.25; 1 set Auger Bits, $4.50; 6 quires Sand Paper, #1, 12c.; 3 gross Screws, ¾", 16c.; Hardware for Hanpool's house, 18 Summit St., per estimate, $54.50; 1 bar Key Steel, ¼", 3½ lbs., 5½c.; 1 Hollow Plane, 45c.; 1 Lawn Mower, $7.60. Date to-day. Make out this bill and receipt upon it a cash payment of $50.

EXERCISE 119. Promissory Note.

David Copperfield owes William Sikes $235. Copperfield gives Sikes, to-day, a ninety-day note payable at 14 Franklin Sq., for the amount. He dates the note back to the fifteenth of last month (when the account was due) and adds interest to the face of the note for ninety-three days at six per cent. Sikes transfers the note by indorsement to Robert Roy, who has it discounted at the Penn National Bank. Write the note.

Supplementary Exercises.

118. What should be the catalogue price of a piano which cost $300 to manufacture, so that the manufacturer can allow a discount of 40 and 10 off to the dealer, and still make 62 per cent?

119. A note for $500, drawing interest at 6 per cent, given June 22 at 90 days, is discounted at a bank July 10 at 7 per cent. Find the proceeds.

120. A railway platform is to be 112 yards long and 19 feet wide. It is to be built of 2-inch oak plank costing $62.50 per M. Find the cost of the plank necessary for the platform.

LESSON LIX.

Drafts are often ***drawn against shipments.*** A, of Chicago, wires B, of Baltimore, to ship him $1000 worth of certain goods and to draw at sight. B delivers the goods to the transportation company in Baltimore, secures his ***to order*** bill of lading, draws up a draft in his

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own favor, or in favor of his bank, on A, pins it to the bill of lading, and deposits it in his bank for collection. His bank will forward to their correspondent (bank) in Chicago and the draft and bill of lading will be presented to A by messenger. A pays the draft and takes the bill of lading to the freight office in Chicago and secures his goods. The chief advantage to the seller of this method of sale lies in the fact that he gets payment quickly and is secured against loss, while the buyer can buy as easily as to credit and make payment as readily as though he bought the goods in his own local market.

EXERCISE 120. Shipping Order.

William Wilkins & Co., 496 State St., Chicago, wholesale dry goods dealers, ship by Trade Despatch and Union Pacific to Denver, Col., one case of dry goods ordered by Thomas Taylor, of Denver. The case is marked [T]; weight, 475 lbs. Make out the shipping order. Date to-day. Consign to "Order Exchange National Bank, Chicago. Please notify Thomas Taylor." Sign for E. Mattocks, clerk in the Wilkins store.

EXERCISE 121. Bill of Lading (Original).

On receiving the case of goods and the shipping order (Exercise 120), the Trade Despatch agent gives the Wilkins agent a corresponding bill of lading. Rate, 81 cents per 100 lbs. First class. A sight draft on Thomas Taylor & Co., for $321.50, the value of the merchandise shipped, is pinned to this bill of lading and discounted at the Exchange National Bank, which forwards it to a Denver bank for collection. Write the bill of lading.

Questions.—What security has the Exchange National Bank for the money they give Wilkins & Co.? If Taylor & Co. cannot pay the draft what will occur? If the goods are returned who will be obliged to pay the double freight? How does this method of sale differ from the C. O. D. Express method?

EXERCISE 122. Bill of Lading (Duplicate).

Make a duplicate copy of the bill of lading (Exercise 121) which you have just written. Who will keep the duplicate? What advantage is there in having a duplicate?

LESSON LX.

If you wish to use your check to pay a note due at some other bank or in buying real estate or stock or bonds, you may find it necessary to get the ***check certified.*** This is done by an officer of the bank who writes or stamps across the face of the check the words "*certified*" or "good when properly indorsed," and signs his name. The

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amount will immediately be deducted from your account, and the bank by guaranteeing your check becomes responsible for its payment. Banks will usually certify any check drawn upon them if the depositor has the amount called for to his credit, no matter who presents the check.

EXERCISE 123. Daily Cash Balance Book.

Directions.—The total daily cash receipts and disbursements in a large house may to advantage be entered in what is called a Daily Cash Balance Book. That shown on the corresponding exercise blank is a convenient form. Write the word "Balance" and the amount in red ink. Rule all the way across between the days. Be careful to enter the amounts in the proper columns. The number column is for the pages of the other books from which the items have been transferred.

DATE.	ACCOUNT.	PARTICULARS.		B. R. & D.	C. SALES.	AC. REC.	PAID.	
Oct. 1	Balance					1117 91		
	Merchandise	Cash sales this day			259 60	396 80	59 80	
	Bills Receivable	Notes, $867.43. Dis., $24.18		843 25			59 40	
	Personal Accounts	Received per Cash Book				*259 60		
	Personal Accounts	Paid per Check Book				*843 25	2188 36	
	Sundries pd.	Checks	$40.80					
		Petty Cash Bk.	9.60					
		(Deposit, $342.25.)*						
	* Balance	Bank, $1750.13; Safe, $438.93						
							2617 56	
Oct. 2	Balance					2617 56		2188 36

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Items.—*Oct. 1.* Balance on hand (bank, $984.23; safe, $133.68), $1117.91. Cash sales of merchandise, $259.60. Bills receivable discounted, $867.43; proceeds, $843.25; personal accounts received per cash book, $396.80; personal accounts paid per check book, $369.80; sundries paid by check, $49.80; from safe per petty cash book, $9.60; deposited, $342.25. *Oct. 2.* Balance on hand, $———; cash sales of merchandise, $489.24; personal accounts received per cash book, $463.25; personal accounts paid per check book, $212.19; sundries paid by check, $72.65; from safe per petty cash book, $15.60; Mr. Bancroft (partner) withdrew for private use cash from safe, $100; deposited, $1063.24. *Oct. 3.* Balance on hand, $———; cash sales of merchandise, $564.27; bills receivable discounted, $726.39; proceeds, $704.16; personal accounts received per cash book, $244.80; bills payable charged to our account in the bank, $846.90; personal accounts paid per check book, $104.90; rent paid per check book, $150; sundries paid by check, $38.24; from safe per petty cash book, $12.50; deposited, $602.44. *Oct. 4.* Balance on hand, $———.

Directions.—In actual business the bank balance should be taken from the check book and the *safe* balance should be found by an actual count of the money on hand. These two added should equal the balance as shown by the books. Write the *starred* items and the *starred* line including the amounts in red ink.

Supplementary Exercises.

121. Write an order on Warden & Gerrow for $10 worth of groceries to be given to "the bearer, Thomas L. Wilkinson," and to be charged to your account.

122. Write a due bill in favor of Donald Robinson for $20, payable in goods from your store.

123. Write a due bill in favor of Miss Harriet Beecher for $25, payable on demand in cash.

LESSON LXI.

EXERCISE 124. Ledger Practice. Double Entry.

Oct. 1.—Engaged in the Real Estate business investing cash, $5000.

Oct. 2.—Rented an office at 16 Superior St. Paid one month's rent in cash, $14.

Oct. 4.—Rented for the owner three houses on Winthrop Lane. Received commissions, $45 in cash. (Note. Credit "commission account.")

Oct. 5.—Bought for cash ten city lots on Wood Ave. at $237.50 each.

Oct. 7.—Bought a house and lot on Hanover St. for cash, $932.50.

Oct. 9.—Paid cash $97.30 for painting of house on Hanover St.

Note.—In merchandising, the freight or drayage or any items adding to the cost of the merchandise are at the time or at the end of the year charged to the "Merchandise" account. This item of $97.30 increases the value of the property and should be charged to the "Real Estate" account.

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Oct. 10.—Sold to Hiram Leonard five city lots on Wood Ave. at $348.50 each. Received in payment, cash $500, his note at thirty days for $500, balance on account.

Oct. 12.—Had Leonard's note discounted at my bank at 7 per cent. Received proceeds in cash, $———.

Oct. 13.—Rented for the owner two houses on Jarvis St. Received commissions, $32 in cash.

Oct. 14.—Bought of Wesley Barber a house and lot on Summit St. for $1200. Gave in payment, cash $600, my note at ten days for $450, balance on account.

Oct. 16.—Sold for the owner a suburban property for $9420. Received my commission of 2½ per cent in cash.

Oct. 18.—H. Leonard paid cash on account, $125.

Oct. 19.—Paid cash $13.60 for repairs on Summit St. house.

Oct. 21.—Paid Wesley Barber cash in full of account, $150.

Oct. 22.—Sold for cash $400 a lot on Wood Ave.

Oct. 24.—Sold my Summit St. house for cash, $1623.40.

Oct. 25.—Paid office expense in cash, $22.90.

Oct. 27.—Paid my note due to-day in cash, $450.

Oct. 28.—Received from H. Leonard a draft on New York in full of account, $———.

Oct. 29.—Sold for the owner a manufacturing property for $14,860. Received my commission of 2½ per cent in cash.

Oct. 30.—Received cash $15 for rent of house on Hanover St.

Note.—If you had a number of houses rented it would be better to open a "Rent" account. In this instance credit the "Real Estate" account.

Oct. 31.—Rented for the owner a house on Pilot Hill. Received my commission, $7.50, in cash.

Inventory: Real estate valued at $2600. Make out a balance sheet similar to that for the September set.

LESSON LXII.

A ***commission merchant*** sells goods for another, charging for his services a commission on the amount received for the goods sold. Commission merchants are sometimes known as ***commercial*** or ***merchandise brokers.*** The owner or shipper of the merchandise to be sold calls it a ***shipment*** and the merchant who receives the merchandise, that is, to whom it is *consigned*, calls it a ***consignment.*** The written statement rendered by the commission merchant to the *consignor* or owner, showing the sales, charges, etc., is called an ***account sales.***

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EXERCISE 125. Commission Merchant's Order Slip.

Note.—These order slips answer the same purpose as do the order tickets of a salesman in a dry goods store or grocery. When goods are sold, a full record of the sale is made by the salesman. The slips are numbered for convenience in checking. These slips are passed to the bookkeeper who enters the items in the proper books, entering the salesbook page upon the credit slips so that the complete record may be traced.

Robert Stevenson & Bro., 27 State St., Boston, sold to Hugh Cleland, 59 Westminster St., Providence, R. I., 100 bbls. apples from Lot 268, Robert Corley's consignment, at $2.37 per barrel. Date today. Terms cash. Sold by Gilray. Shipped by Knott. Cash received for full amount. No. 2468. Make out the order slip.

EXERCISE 126. Commission Merchant's Account Sales.

On Dec. 1, Robert Stevenson & Bro., render an account sales of a consignment of 130 boxes Turkeys and 150 cases Eggs, received Nov. 15, per B. & A. R. R., and sold by order and for account of Frederic W. Baugher, Worcester, Mass., as follows: *Nov. 17.* 50 boxes Turkeys, 220 lbs. each, 14c.; 30 cases Eggs, 30 doz. each, 24c. *Nov. 19.* 40 boxes Turkeys, 220 lbs each, 13$\frac{2}{3}$c.; 120 cases Eggs, 30 doz. each, 25$\frac{2}{3}$c. *Nov. 23.* 40 boxes Turkeys, 220 lbs. each, 14$\frac{3}{3}$c.; No. 2468 charges. Freight and cartage, $148.50; insurance, $9.50; storage, $15; commission, 5 per cent., $———. Boxes and cases are marked [B] Make out this account.

Directions.—Write the number in red ink. Write *Net proceeds* in red ink on the seventh line and carry the difference between the gross receipts and the charges, including commission, to the right-hand money column (in red ink). Both columns should then add to the same amount.

Supplementary Exercises.

124. A merchant buys, through an agent, 480 yards of carpet at 80 cents per yard, and pays the agent ¾ per cent commission. The freight is $1.92. At what price per yard must the carpet be sold to realize a profit of 33⅓ per cent?

125. What was the gross amount of the sales when the net proceeds are $2493.16, brokerage being ¾ per cent?

126. Find the interest on $2468.43 from June 3 until December 19 at 7½ per cent.

LESSON LXIII.

All ***accounts*** arising in business may be arranged in three classes as follows: **1.** *Personal*, or accounts kept with persons. **2.** *Real*, or accounts kept with realties, such as cash, merchandise, real estate, bills receivable, bills payable, etc. **3.** *Imaginary*, or accounts kept

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for convenience in estimating losses and gains, such as interest, expense, loss and gain, etc. Accounts admit of another classification, as follows: **1.** *Speculative*, or accounts that represent the commodity in which we are dealing for profit. The merchandise account is speculative. If we were dealing in notes with a view of making a profit our bills receivable account would be considered speculative even though the profit were shown in the discount account. **2.** *Non-speculative*, or accounts that from their nature have neither gain nor loss. All personal accounts and the cash account are non-speculative. **3.** *Auxiliary*, or accounts which supplement other accounts. The interest account is auxiliary to the bills receivable and bills payable. The freight account is auxiliary to the merchandise. The expense account is auxiliary to the entire business. Auxiliary accounts are really non-speculative in themselves.

EXERCISE 127. Commission Invoice.

Note.—A commission invoice is an invoice received by the commission merchant from the consignor or shipper, giving particulars of goods shipped. It differs from an ordinary invoice in this particular, that it is not a bill charged against the person who receives it. The merchant receives the goods but does not buy them. They remain the property of the shipper and are subject to his order. Quite often no prices are stated, it being understood that the commission merchant will sell at the highest price possible.

Wilmington, Del., August 29, 190—. Henry R. King & Co., of Wilmington, shipped per P. W. & B. R. R. and consigned to J. C. Lansingberger, 192 Market St., Philadelphia, to be sold on their account and risk, the following merchandise: 2400 baskets Peaches, 40c.; 1000 baskets Plums, 20c.; 2000 baskets Grapes, 15c.; 1200 baskets Pears, 30c.; 2400 baskets Cantaloupes, 25c. Make out his invoice.

EXERCISE 128. Bank Check.

Edwin Eggleston, of Lancaster, Pa., owes Harold Henderson, of Lynn, Mass., $37.40, and in payment he sends by mail his check (No. 421) on the Tenth National Bank. Henderson has no bank account, and he transfers the check by indorsement to Peter Pendleton, of Lynn, who deposits it in the Hide and Leather Bank of that city. Write the check with indorsements.

Questions.—If this check is lost in returning from Lynn to Lancaster whose loss will it be? Name the clearing houses through which this check is likely to pass. What will happen if when the check reaches the Lancaster Bank Eggleston has only $25 on deposit? Is it a criminal offence to draw a check for more money than you have on deposit?

Supplementary Exercises.

127. Find the cost of an asphalt sidewalk 7½ feet wide around a square 100 rods by 300 yards, at $2.36 per square yard.

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128. Find the cost of painting the four walls and ceiling of a hall 57½ feet long, 28 feet wide, and 24½ feet high, at the rate of 14½ cents per square yard.

129. Find the cost of the 2-inch lumber necessary to lay a warehouse floor 60 feet by 40 feet, at $22.50 per M.

LESSON LXIV.

It is often convenient for safety to leave money temporarily in a bank. When this is done the bank gives a receipt which is called a ***certificate of deposit.*** This certificate is payable on demand to the order of the person in whose favor it is drawn and may be used as cash in the payment of any debt, whether local or at a distance.

EXERCISE 129. Balance Sheet.

Make out a balance sheet from the following ledger footings: (*Student*): Dr., $296.85; Cr., $5964.24. *Cash*: Dr., $9764.26; Cr., $7928.45. *Mdse.*: Dr., $7943.68; Cr., $8072.43. *Harold Ball*: Dr., $4269.24; Cr., $946.20. *Frank Eaton*: Dr., $2062.36; Cr., $1004.27. *Ewart Bryant*: Dr., $1047.28; Cr., $467.35. *Kenneth Mandell*: Dr., $468.25; Cr.; $724.25. *Albert Faro*: Dr., $206.22; Cr., $647.39. *Expense*; Dr., $136.95. *Bills Receivable*: Dr., $847.65; Cr., $621.39. *Bills Payable*: Dr., $204.79; Cr., $895.83. *Loss and Gain*: Dr., $24.27. Inventory of Merchandise on hand: $948.26. Write the net gain and present worth in red ink.

EXERCISE 130. Commercial Draft.

Peter Hamilton & Co., 604 Main St., Buffalo, owe $342.50 to the Eureka Bridge Company (Adam Bede, Treas.), of Cincinnati. On January 1, the Eureka Bridge Company send Hamilton & Co. a statement with the notice that "if the account is not paid on or before the 10th inst. they will draw at sight." On the 10th they draw at sight, making the draft in favor of the Farmers' Bank, of Cincinnati. Hamilton & Co. honor the draft, making it payable at their bank, the Tenth National. Make a copy of the draft as it should appear when paid.

Supplementary Exercises.

130. Write a letter to a delinquent customer, enclosing a statement of his account ($76.84) and calling his attention to the same.

131. The person to whom you have written has given your letter no attention. Write him a second letter more pointed than the first.

132. Put yourself in the debtor's place, and write a suitable reply to the foregoing, enclosing your check for part of the amount due, and asking time on the balance.

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LESSON LXV.

In large cities checks representing millions of dollars are deposited in the banks every day. The separate collection of these would be almost impossible, were it not for the ***clearing house*** system. The clearing house is an association of the banks of a large city where, upon each business day, the several associated banks effect their exchanges of checks and drafts, and settle the balances resulting therefrom. Let us suppose, for illustration, that to-day Bank A, of Chicago, receives in its deposits from customers checks on Banks B, C, D and E, of Chicago. Banks B, C, D and E are likely to have received checks on Bank A. Each bank sends its messengers to the clearing house with these checks. A's checks against the other banks, we shall suppose, amount to $3642, and their checks against A amount to $2421. This will leave a clearing-house balance in Bank A's favor of $1221, which amount is paid to A by the clearing house. The banks having more checks against them than in their favor pay the balance to the clearing house. The clearing house is the exchange centre for the city banks, and each city bank is a centre for dozens of smaller country banks. Suppose that Brown, of Media, Pa., receives a check on the First National Bank of Salem, Mass. Brown deposits it in the First National Bank of Media. This bank sends it to its correspondent (bank) in Philadelphia. The Philadelphia bank sends it to its correspondent (bank) in Boston. The Boston bank takes it to the Boston Clearing House and charges it against whatever Boston bank is correspondent for the First National of Salem. In this way the check reaches Salem and is charged to the customer who drew it. Each bank through which the check passes stamps its name and other particulars on the back. Every bank has a connection either directly or through other banks with one or more clearing houses.

EXERCISE 131. Printer's Order Book.

Directions.—This exercise is given simply to show the need and value of books of accounts specially adapted to a particular business. Here we have a printer's order book which is as different from a grocer's order book (Exercise 1) as it is possible for two books of records to be. Each business must necessarily have its own peculiar system of records. It is impossible to illustrate all. Write "Printer's Order Book *Job Work*, Month of *October*, 190—." By job work is meant small work to distinguish it from large orders from book and periodical publishers. The *quantity* includes the number of reams and the weight per ream. Write the one under the other. All job work is charged by the hour. By *corrections* is meant the time it took the compositor to make the type changes which the person ordering the printing made in the proof sent him. Charge 50 cents an hour.

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Straight composition, such as the page of a book or a column of news, is charged, not by the hour, but by the thousand *ems* and compositors are paid in this way. Press-work is charged by the thousand *impressions*. In this exercise charge $1 for "making ready" the press, $2 per M. for press A and press C, and $1.50 per M. for press B. Write the letter representing the press below the number of thousands. Add 33⅓ per cent for profit.

Orders.—Oct. 9. Edgar Bastedo, 24 Tremont St. Stock—3½ rms., 30 lbs., 6c. Composition by C. R., 4½ hrs.; ½ hr. corrections. Press-work—Ten thousand on press B. (Write 10 M. with B under it.) Henry Oaten, 45 Devonshire St. Stock—½ rm., 60 lbs., 12c. Composition by R. M., 2 hrs. Press-work—2½ M. A. R. M. Blodgett, 30 Bromfield St. Stock—3½ lbs., 8c. Composition by J. R., 2½ hrs., ½ hr. Press-work—½ M. A. James Hill, 49 Cornhill St. Stock—2 rms., 20 lbs., 15c. Composition by C. D., 3 hrs., 1 hr. Press-work—8 M. A. Chas. Peterson, Haymarket Sq. Stock—12 lbs., 10c. Composition by J. B., 6½ hrs., 2 hrs. Press-work—1 M. B. Andrew Jackson, Copley Sq. Stock—2 rms. 40 lbs., 8c. Composition by K. B., 3 hrs., ½ hr. Press-work—10 M. C. Harry White, 22 Federal St. Stock—20 lbs., 12c. Composition by J. E., 6 hrs., 2 hrs. Press-work—1 M. B. Enter these orders, making the proper charges. (The amounts in the first order are as follows: Stock, $6.30; Composition, $2.50; Press-work, $16.00; Charged, $39.73.)

EXERCISE 132. Promissory Note.

Robert Elsmere, of Boston, owes Felix Holt, of Baltimore, an account of $322.80. He sends him a three months' note dated July 3, payable at the Eighth National Bank, and with David Grieve as indorser. Holt transfers the note by indorsement to Silas Wegg, of Washington. Wegg has it discounted August 1, at the Capitol National Bank at 6 per cent. Write the note.

Questions.—When will this note mature? How much should Wegg receive as net proceeds? If Elsmere fails to pay the note, who will have it protested? Tell how the note will reach Elsmere. If Wegg is unable to pay the protested note and the Capitol National Bank demands and receives payment from David Grieve, from whom can Grieve demand payment? Who will have to pay the protest fee?

Supplementary Exercises.

133. Find the proceeds of a note for $436.90, dated March 12, at 3 months, and discounted April 3 at 7½ per cent.

134. A wool merchant buys 24,000 pounds of wool at 18¾ cents. He has it scoured, but in the process it shrinks 20 per cent in weight. It is then dyed and the coloring increases the weight 7½ per cent. The wool is then sold for 25 cents a pound. Find the gain or loss if the expense for scouring is ½ cent a pound and for dyeing 1¼ cents a pound on the amount delivered in each instance.

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LESSON LXVI.

A draft on a foreign bank is commonly called a ***bill of exchange.*** They are usually drawn in duplicate, one of which is forwarded and the other retained. They are so worded that when the original is paid the duplicate becomes void. They are drawn in the currency of the country where they are payable. These drafts are used to pay accounts in foreign countries just as drafts on New York are used to pay indebtedness at home.

EXERCISE 133. Invoice.

Wm. Meistershaft & Co., 404 State St., Portland, Oregon, bought of M. R. Warren, San Francisco, the following: 2 Emerson Upright Pianos, Style D, Rosewood Finish, at $350; 2 Kimball's Pianos, Style 2, Mahogany Veneer, at $420; 4 Sohmer's Pianos, Cabinet Grand, Style 7, Oak Finish, at $275; 2 Kimball's Reed Organs, Styles 160 and 190, at $125; 6 Ideal Kodon's, at $25. Discounts 30 and 5 off. Acknowledge advance payment of $500 (draft on N. Y.) on account. Shipped by Oregon Line. Date to-day.

Supplementary Exercises.

135. Gross invoice, $2464.20. Discounts, 25, 10 and 2 off. Find net amount.

136. Gross invoice, $3026.35. Discounts, 30, 20 and ½ off. Find net amount.

137. Gross invoice, $4212.40. Discounts, 40, 5 and 1 off. Find net amount.

138. Gross invoice, $9024.65. Discounts, 50, 10 and ⅛ off. Find net amount.

139. Gross invoice, $4268.43. Discounts, 30, 12½ and 3 off. Find net amount.

LESSON LXVII.

A ***warranty*** is an undertaking by the seller, either expressed or implied, that a certain fact in regard to the thing to be sold, is, or shall be, as it is promised. If the warranty is not fulfilled the buyer may return the goods or claim damages. In a ***sale by sample*** the seller in reality warrants that the goods will equal the sample, and the buyer has a right to return the goods, if they are not the same as the sample.

EXERCISE 134. Steamship Bill of Lading.

The goods ordered by Wm. Meistershaft & Co. (Exercise 133) are shipped by the Oregon Steamship Line, marked with full name and address of consignee. Make out the bill of lading. Gross weight 7250 lbs. There

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are no advanced charges. Rate, twice first class, $1.65 per 100 pounds. Sign your own name as receiving clerk for the Oregon Steamship Line.

Questions.—What is meant when we say that a vessel has *cleared?* What is meant by *consignee?* Why is the clause "contents and condition of contents unknown" inserted? How is marine insurance secured? In what particulars does this bill of lading differ from one issued by a railway transportation company?

EXERCISE 135. Shipping Order.

Make out the shipping order corresponding to the bill of lading in Exercise 134. Sign the order for M. R. Warren.

Supplementary Exercises.

140. Note, $846.20. Date, March 9, 3 months. Discounted, April 3, 6 per cent. Find proceeds.

141. Note, $700.00. Date, March 2, 90 days. Discounted, April 2, 7 per cent. Find proceeds.

142. Note, $946.20. Date, August 4, 4 months. Discounted, August 7, 7½ per cent. Find proceeds.

143. Note, $324.37. Date, September 9, 60 days. Discounted, September 9, 5 per cent. Find proceeds.

144. Note, $800.00. Date, October 12, 2 months. Discounted, October 27, 6 per cent. Find proceeds.

LESSON LXVIII.

Movable property is called ***chattels*** in legal documents.

Legal permission to do a certain act is termed a ***license.***

To ***attach*** property is to seize it by virtue of legal process.

Accrued interest is interest earned up to the present time.

To ***audit*** an account is to examine it and testify to its correctness.

An account which a debtor has against a creditor is termed an ***off-set.***

A man appointed to execute or carry out the *will* of another is called an ***executor.***

A sum of money set aside for the payment of a debt when it becomes due is called a ***sinking fund.***

F. O. B. These letters stand for *free on board*, and indicate that the goods are sold at the prices stated, free of all shipping expenses or in other words, that the freight must be paid by the purchaser.

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The difference between the exports and imports of a country with respect to another is called the ***balance of trade.*** If we import more than we export the balance of trade is said to be against us.

A ***power of attorney*** is a written statement given by one person authorizing another to transact business for him. The one is said to be the other's attorney, and in signing important papers he must write "attorney" after his signature.

A ***mercantile agency*** is a concern which procures information relating to the financial standing and credit of merchants for the use of others, to whom said merchants may apply for credit. *Bradstreets* and *Dun & Co.*, are two large concerns of this kind.

EXERCISE 136 and 137. Grocer's Itemized Bills.

Directions.—See the note in connection with Exercises 3 and 4. The bills given here are intended to illustrate the statements which a grocer will send out at the end of the month who has not rendered itemized bills with the several sales. The balance due from the last month, if any, should be entered first.

First bill.—*Mrs. H. W. Canfield, 428 N. 5th St.* Balance due from August, $14.26. *Sept. 3.* 2 lbs. Butter, 27c.; 2 lbs. Orange Peel, 18c.; 2 cans Potted Ham, 17c. *Sept. 7.* 5 lbs. Biscuits, 15c.; 12 lbs. Sugar, 5½c.; 3 doz. Eggs, 22c.; 1 gal. Molasses, 75c.; 2 lbs. E. B. Tea, 60c. *Sept. 12.* 1 pkg. Baking Powder, 65c.; 1 lb. Coffee, 40c.; 2 cans Tomatoes, 16c.; 2 cans Cherries, 20c.; 1 bag Salt, 18c.; 2 sacks Flour, $1.40; 3 qts. Mixed Pickles, 26c. *Sept. 20.* 1 Ham, 15 lbs., 13c.; 2 bx. Corn Starch, 13c.; 2 lbs. Butter, 27c.; 3 lbs. Lard, 18c.; 3 cans French Peas, 27c. *Sept. 24.* 1 doz. Lemons, 30c.; 2 lbs. Almond Nuts, 28c.; 2 lbs. Butter, 30c.

Second bill.—These bills will be made out from the ledger accounts. Turn to Byron Handycraft's account. You have already made a copy of it in Exercise 109. Note the advantage of keeping the account in this form. Make out the itemized bill which should be mailed to Handycraft on October 1. Remember that the house is supposed to have sent him an itemized bill on September 1, and it should be the policy of business houses not to duplicate the items of any bill in a subsequent statement except the customer asks for such duplicate.

Questions.—Explain what is meant by *importing*. Why are the three names printed on the bill-head? Why do partnership or firm names very often remain the same even though some members die and other new members are added?

Supplementary Exercises.

145. At what per cent above the manufacturer's prices must a wholesale merchant mark goods, so that he can allow a retailer a discount of 30 per cent and 2½ per cent off and still make a profit of 40 per cent?

146. A note of $1200, drawing interest at 8 per cent, dated September 4, at 3 months, is discounted October 15 at 6 per cent. Find the proceeds.

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LESSON LXIX.

The ***business of a bank*** is to receive money on deposit, and to lend it to customers. The money which it lends is largely its capital and its deposits. Its profits come from the interest it charges on loans. The ***national banks*** are organized under national laws, while state banks, savings banks, etc., are organized under the laws of the State in which they are located. Any person who has money and credit can start a private bank. Some of the largest banking institutions of the world are owned by private individuals and are not subject to law any more than is any other kind of business house. ***Trust companies*** are in some respects similar to banks. They receive deposits and make loans, but they do not usually undertake the general collection of commercial paper. They act as trustees for corporations, as agents for the sale of stocks, as executors, administrators and guardians of money for courts. They make investments, collect interest and rents, and perform many other financial services. They rent fire-proof vaults and boxes to customers who desire a safe place in which to keep their valuable papers.

EXERCISE 138. Painter's Bill for Labor.

Dr. J. B. Watson, Elmira, N. Y., asked Mr. Charles Emerson, a local painter, to give him an estimate on painting his stable, shed and yard fence. Mr. Emerson gives an estimate of $53.50 and secures the order. He does, upon request, two or three other small jobs about the place which were not included in the estimate and which required three hours of his time. He simply charges for the time at the rate of 35c. an hour. Make out the bill. Date it the first of the current month. Receipt it for Dr. Watson. Date to-day.

EXERCISE 139. Bank Check.

Dr. J. B. Watson keeps his money on deposit in the Tenth National Bank, Elmira. The last check drawn was No. 2046. Write a check in favor of Charles Emerson in full of account for painting. Date to-day. Emerson indorses the check and gets it cashed. Write the check.

Questions.—If the bill were not receipted, how would this check serve Dr. Watson as a receipt? What is meant by "Pay to the *order* of Chas. Emerson?" Suppose Dr. Watson spelled Emerson's name wrong on the check, how should it be indorsed?

Supplementary Exercises.

147. Find the cost of painting both sides of a 12-foot tight board fence around a square ten-acre athletic ground at the rate of 7½ cents a square yard.

148. Find the cost of painting the outside of 40 boxes, each box being 4 feet by 5 feet by 3½ feet outside measurement, at 1¼ cents a square foot.

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LESSON LXX.

EXERCISES: Financial Statements.

Exercise 140.—Net investment, $2369.40. Gain on merchandise, $864.20. Entire expenses, $142.76. Loss on interest, $7.40. Find the present worth.

Exercise 141.—Commenced business with resources, $7269.20 and liabilities, $2043.46. Loss on merchandise, $247.36. Other losses, $212.36. Gain on discounts, $47.20. Withdrew for private use, $550. Find the present worth.

Exercise 142.—Commenced business with merchandise, $2423.30 and no other resources. Owe Brown Bros. $264.90 at beginning. At close of year have cash, $1046.20; merchandise, $3924.36; and Brown Bros. owe us $125.63. No liabilities. Total expenses of the year, $425. Find the net gain.

Exercise 143.—Net investment, $6439.27. Resources at end of year: cash, $4043.20; merchandise, $2056.20; bills receivable, $369.40; and personal accounts, $1269.45. Liability at end of year: bills payable, $763.40. Withdrew during the year for private use cash, $439.25. Find the net gain.

Exercise 144.—Commenced business with merchandise, $4739.20. Merchandise burned during the year valued at $1960 upon which insurance $1500 was received. Merchandise on hand at the end of the year, $3964.20. Other resources at closing, $2468 and liabilities, $1243.27. Find the net gain or loss.

Exercise 145.—Net investment, $4684.25. Loss on merchandise, $476.20; other losses, $194.20. Total gains, $47.90. Withdrew for private use cash, $243.20 and merchandise, $68.25. Find the present worth.

Exercise 146.—The total resources at commencing are $4762.40, and the total liabilities are $2046.21. The net loss during the year is $724.95. The resources at closing are $2469.40. Find the liabilities at closing.

Exercise 147.—Net investment, $6942.80. Withdrew for private use during the year, $1269.30. Net gain during the year, $3642.45. The liabilities at closing are $4627.20. Find the resources at closing.

Exercise 148.—Gross gains during the year, $2768.40, and gross losses, $482.20. Additional investment during the year, $2700. Present worth at closing, $6942.36. Find the original net investment.

Exercise 149.—Net loss during the year, $472.36. Withdrew for private use during the year, $693, and made an additional investment of $1000. Resources at closing, $6425.30, and liabilities, $1426.95. Find the original net investment.

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LESSON LXXI.

The expenses of the federal, state, county and town governments are met by assessments upon the persons and property of the citizens. A ***poll-tax*** is a stated sum paid by each male of legal age. A ***property-tax*** is assessed upon real and personal estate, and is apportioned at a percentage upon the valuation of the property. An ***income-tax*** is assessed upon personal incomes in excess of a certain sum. ***Duties*** are taxes levied on imported goods. ***Internal revenue*** is the tax levied on certain home productions, such as tobacco and liquor. This tax is usually paid by affixing government stamps to the package, or by purchasing a license.

EXERCISE 150. Market Order Book.

Note.—See the directions given in connection with Exercises 1 and 22.

Orders.—Monday, Sept. 12, 190—. Robert Watson, 183 Indian Ridge; 2½ lbs. Round Steak, 23c.; 2 bu. Potatoes, 40c., 2 baskets Peaches, 75c.; 1 basket Pears, 80c.———Dr. J. B. Henderson, 242 Pine Tree Ave.; 1 pk. Tomatoes, 45c.; 3½ lbs. Lamb Chops, 17c.; 1 pr. Chickens, 8 lbs., 15c.; 3 bunches Celery, 12c.———Mrs. H. Green, 47 Strawberry Lane; 4 lbs. Sirloin Steak, 23c.; 3 bu. Potatoes, 40c. ———*Tuesday, Sept. 13.* Rev. James O'Connor, 263 Cathedral St.; 2 bunches Celery, 12c.; 3 lbs. Butter, 24c.; 1 basket Peaches, 75c.; 2 qts. Green Peas, 12c.; 3 doz. ears Corn, 10c.; ½ lb. Suet, 14c.——— Kenneth Kennedy, 12 Evergreen Terrace; Rib Roast, 8 lbs., 18c.; 2 baskets Pears, 75c. (C. O. D.).———Mrs. Margaret Maple, 47 Blue Hill Ave.; pair Chickens, 8½ lbs., 14c. (Paid).———*Wednesday, Sept. 14.* Dr. Geo. Warren, 22 Fernwood St.; Ham, 14 lbs., 15c.; 2 lbs. Cheese, 16c.; 2 lbs. Butter, 25c.; 3 doz. Eggs, 19c.; 1 basket Peaches, 70c.; Leg of Lamb, 7½ lbs., 18c.———Mrs. Robert Wood, 46 Green Isle Ave.; 2 gal. pl. Mixed Pickles, $1.40 (Paid).———Samuel Piper, 426 Irish St.; 2 bot. Halford's Sauce, 37c.; 4 lbs. Veal Cutlet, 22c.; 2 lbs. Butter, 27c.; 2 cans Lima Beans, 15c.———*Thursday, Sept. 15.* Robert Sparling, College Hill; 1 bu. Apples, 75c.; 5½ lbs. Tenderloin, 26c.; 6 pks. Potatoes, 15c. (Paid).

Supplementary Exercises.

149. The assessed value of the property in a town is $3,265,000, and the tax to be raised is $39,180. What will be the rate on the dollar, and what will be the amount of A's taxes, his property being assessed at $15,000?

150. A tax of $5900 is levied for building a school-house. The assessed valuation of the village is $2,240,000. What is the tax on a property assessed at $6750?

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LESSON LXXII.

The student will note carefully the following general rules for charging and crediting ***commercial drafts*** in the ledger:

1. When you draw a draft always ***credit*** the house drawn on.
   If a sight draft in your own (or your bank's) favor ***debit*** cash.
   If a time draft in your own favor ***debit*** bills receivable.
   If the time draft is discounted, at once ***debit*** cash and discount.
2. Always ***debit*** (charge) the house who draws on you.
   If a sight draft ***credit*** cash for the amount.
   If a time draft which you accept, ***credit*** bills payable.
3. If, when you draw a draft, you are in doubt as to whether it will be honored, simply make a memorandum of it until you know.

EXERCISE 151. Ledger Practice. Double Entry.

Nov. 1.—Commenced business with cash, $7249.30.
I owe Daniel Deronda an account of $476.37.

Nov. 2.—Paid rent of warehouse for November by check, $75.
Bought office furniture and paid for same by check, $122.50.

Nov. 4.—Bought from Dombey & Son on account merchandise invoiced at $3642.45.

Nov. 5.—Bought from David Copperfield on account merchandise invoiced at $4256.20.

Nov. 7.—Sold merchandise valued at $2326.90 to Felix Holt; received in payment cash $1000; his note at sixty days for $900; balance on account.

Nov. 8.—Had Felix Holt's note discounted at my bank at 7½ per cent. Proceeds, $———, credited to my account.

Nov. 9.—Sold merchandise valued at $4026.35 to Barnaby Rudge; drew on him at sight for $1000 and at thirty days' sight for $1500; balance on account. (Both drafts honored.)

Nov. 11.—Had Rudge's acceptance discounted at my bank at 7 per cent. Proceeds, $———, credited to my account.

Nov. 14.—Sold for cash, merchandise invoiced at $1642, less 40 per cent and 10 per cent. Cash received, $———. (Enter net amount only.)

Nov. 16.—Dombey & Son drew on us at sight for $1000, and at ten days' sight for $1500. Accepted both drafts making them payable at my bank.

Nov. 17.—Drew on Barnaby Rudge at sight for $500 and at ten days' sight for $750. Made both drafts in favor of David Copperfield and forwarded them to the latter on account. (Drafts honored.)

Nov. 19.—Bought from Guy Mannering on account merchandise invoiced at $5643.27. Paid office expenses in cash, $43.29.

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Nov. 22.—Sent Guy Mannering my note at thirty days for $2500 to apply on account.

Nov. 25.—Sold for cash, merchandise invoiced at $2468, less 30 per cent and 10 per cent. Cash received, $———.

Nov. 26.—Accepted Guy Mannering's drafts on us at sight for $500 and at twenty days' sight for $750 making both drafts payable at my bank.

Nov. 28.—A case of merchandise which cost $1000 was last night damaged by fire. Sold it for cash at 40 cents on the dollar. Received insurance $350.

Nov. 30.—Sent draft on New York for $250 to Guy Mannering to apply on account.

Inventory: Merchandise on hand valued at $1842.19.

LESSON LXXIII.

EXERCISE 152. Balance Sheet.

Prepare a balance sheet for the November set (Exercise 151).

EXERCISE 153. Commercial Draft.

Henderson Higgins, 409 California Ave., San Francisco, owes Samuel Sanderson, 92 Main St., Buffalo, $1046.80. Sanderson draws on Higgins June 3 at sixty days after date in favor of his friend George Gregson. (Gregson's credit is good but he does not owe Sanderson.) Gregson indorses the draft and Sanderson has it discounted (same date) at the German-American Bank at 7 per cent. The draft is forwarded to Higgins for acceptance. He accepts the draft June 10, making it payable at the Second National Bank of San Francisco. Write the draft as it will appear when paid.

Questions.—Why should Gregson indorse the draft? Can you give any reason for drawing the draft "sixty days after date," instead of "sixty days sight?" How much money should Sanderson receive from the bank? When will the acceptance become due? If Higgins should fail to honor the draft to whom would the Buffalo bank apply for the money?

LESSON LXXIV.

EXERCISES: Financial Statements.

Exercise 154.—Andrew Jackson invested $2460 in a partnership Jan. 1, to draw interest at 7 per cent. On April 1 he withdrew $500. His share of the gain, $421.65, was credited to his account at the end of the year. Show his present worth Dec. 31.

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Exercise 155.—Charles Clarkson invested Jan. 1, cash, $1000, and a bill receivable for $1200, due April 1, in a partnership. The bill receivable was discounted on Jan. 1 at 6 per cent, and considered at its net value. On July 1 he withdrew cash, $250. He was allowed interest at 10 per cent on investment. His share of the loss for the year was $137.04. Show his present worth Dec. 31.

Exercise 156.—Cash on hand in the morning: Safe, $139.60; bank, $1684.37. Cash received during the day: Bills and silver, $472.90; checks, $369.40. Cash deposited, $639.24. Checks drawn: $47.80, $193.20, $485.37, $26.33. Cash paid out in bills and silver, $72.46. Show the condition of the cash account in the evening.

Exercise 157.—Cash on hand in the morning: Safe, $204.20; bank, $1279.30. Cash received during the day: Bills and silver, $296.22; checks, $489.36. Cash deposited: $604.37. Checks drawn: $3.97, $47.86, $396.25, $49.83, $246.97. Cash paid out in bills and silver, $49.86. Show the condition of the cash account in the evening.

Exercise 158.—Inventory of merchandise on hand Jan. 1, $2468.35. Bought during the year merchandise costing $2984.37. Sold during the year merchandise for $3785.64. Inventory of merchandise on hand Dec. 31, $1928.43. Find the gain or loss on merchandise.

Exercise 159.—Inventory of real estate owned Jan. 1, $4693.36. Built houses during the year at a cash outlay of $5327.95. Received rents during the year amounting to $427.30. Paid taxes and other expenses amounting to $139.65. Sold a house and lot for $2637.20. Value of real estate owned Dec. 31, $14,322. Find the gain or loss on real estate.

Exercise 160.—Maxwell Eaton has cash, $3462.20, and goods valued at $2468.37, when he begins business, and he owes James Anderson $396.42. During the year he loses $968.47. Find his present worth at the close of the year, all debts having been paid.

Exercise 161.—John Wilberham has no capital at the beginning of the year, and he owes $390 to Charles Clarke. He gains during the year $1276.80, and loses $304.25. Find his present worth at the close of the year.

Exercise 162.—Richard Hampton owes us $4980 with interest for 140 days at 6 per cent. He fails, paying forty cents on the dollar. Show his account when properly closed.

Exercise 163.—Our interest and discount account shows the following items: discount on bills receivable sold, $43.24; discount allowed us on personal accounts, $39.25; discounts we allowed others on their accounts, $57.29; interest paid on bills payable, $19.37; interest received with matured bills receivable, $13.54. Make a copy of the account showing the loss or gain on interest.

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LESSON LXXV.

Wholesale merchants and manufacturers make use of several methods of stating their ***terms of payment.*** Some bills date from the shipment of the goods while others are dated ahead. A sixty-day bill dated August 1 will be due October 1 whether sold on net terms or subject to discounts. It is customary to allow *ten days grace* on bills, that is, a bill due November 1 may be paid any time between November 1 and November 10. "Terms: 90 ds. 6 per cent 10 ds." means that the bill is due in 90 days, but if paid in 10 days 6 per cent discount will be allowed.

EXERCISE 164. Telegraphic Order.

Write a telegraphic message to the Educational Book Company, 241 Clinton Pl., New York City, asking them to send you by express C. O. D. 100 copies of Homer Hamilton's Practical Grammar, fifty copies of Dr. Pancroft's Civil Government, and sixty copies of Casey's Geometry. All to be billed at introduction prices. Do not exceed fifteen words. Date to-day. Sign for Cedar Hill Seminary, Windermere, N. Y., *Bruce Highland, Principal.* (Note. Letters C. O. D. count *three;* figures 100 count *three.*)

EXERCISE 165. Bookseller's Invoice.

Write the C. O. D. invoice which should go with the books by express to Cedar Hill Seminary, (Exercise 164). The introduction prices are as follows: Grammar, 73c.; Civil Government, $1.12.; Geometry, 87c.

Supplementary Exercises.

151. A man invested $2400 in a publishing business, and at the end of 2½ years he withdrew $2940, being investment and profits. What annual rate of interest did his investment pay?

152. How much exchange on London at 4.81¾ will $821.99 buy?

153. Find the proceeds of a note for $960 drawn March 3, at ninety days, discounted April 15, at 7½ per cent.

LESSON LXXVI.

If a payment is made ***to apply on a note,*** such payment should always be indorsed on the back of the note, such indorsement requiring no signature. The usual form is to give the date and write "Received on within note," stating the amount. An ordinary separate receipt is not sufficient. The holder of the note may sell it and

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the buyer can collect the face value. Each receipt indorsed on the back reduces the face value. If a person buys a note before it falls due, and gives value for it, he can collect it, even if it was given without value, or if it was stolen; that is, the law sustains him in taking the paper for just what it says; provided, the signature is genuine, and the paper is not yet due. A person buying a note after it has matured must take it subject to any defence that may exist between the original parties to it.

EXERCISE 166. Dry Goods Invoices.

Sale 1.—Ledger Folio 27. *Aug. 15.* Messrs. Gamble Bros. & Co., of Columbus, O., bought of Haybridge & Hatter, Cincinnati, the following dry goods: 5 pc. 30 yds. each India Silks, 30c.; 5 pc. 30 yds. each Wash Silk, 50c.; 5 pc. 30 yds. each Taffetas, 60c.; 5 pc. 25 yds. each Plaids, 50c.; 5 pc. 30 yds. each Dress Linen, 45c.; 5 pc. 25 yds. each Armure, 55c.; 5 pc. 40 yds. each Storm Serge, 60c. Less 20 per cent. Make out this invoice.

Sale 2.—Ledger Folio 49. *Aug. 15.* Messrs. Marshall Park & Co., Lexington, Ky., bought of Haybridge & Hatter, Cincinnati, the following dry goods: 8 pc. 25 yds. each Canton Cloth, 12c.; 8 pc. 25 yds. each Cotton Crepes, 12c.; 5 pc. 30 yds. each Sateens, 15c.; 5 pc. 30 yds. Silk Gingham, 24c.; 5 pc. 35 yds. each Dress Linen, 22c.; 3 pc. 35 yds. each Cheviot, 60c.; 3 pc. 30 yds. each Whipcord, $1.25; 8 pc. 30 yds. each Homespun, 18c. Less 20 per cent. Make out this invoice.

EXERCISE 167. Bank Check.

David Garrick owes Mrs. Sarah Gamp, West Chester, Pa., $21.35. He mails her a check (No. 498) on the Peoples Bank, Philadelphia, for the amount. Date to-day. Mrs. Gamp has no bank account and cannot conveniently deposit the check. She indorses it correctly and wisely (to send through the mails) and mails it to Dombey & Son, Media, Pa., to whom she is indebted. They indorse the check for deposit and turn it over with other cash to their bank. Write the check as it will appear when paid.

Supplementary Exercises.

154. Write for the Old Corner Bookstore, Boston, a letter to Dr. Adam Anderson, Troy College, Troy, N. Y., advising of the shipment by express of 200 copies of Jenkin's Philosophy. State that owing to unusual demands, the last edition was exhausted very quickly, and the order was delayed for the second edition, which was received only this morning from the bindery.

155. Write an application for a position which you are satisfied you are able to fill.

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LESSON LXXVII.

The ***directors of a bank*** meet regularly to consider the character of the paper offered for discount, and to consult regarding general business. Sometimes the directors give the president or cashier authority to pass upon paper offered for discount. The ordinary ***officers of a bank*** are the president, who is the chief executive officer; the cashier, who is the manager of the internal workings of the bank; the paying teller, who pays out all moneys, certifies checks presented for certification, and has charge of the working cash of the bank; he is familiar with the signature of each depositor and his daily balance; the receiving teller, who receives all the money coming into the bank and makes the entries in depositors' pass books; the note clerk, who has charge of the notes and commercial drafts handled; the bookkeeper who has charge of the ledgers, and the messenger.

EXERCISE 168. Manufacturer's Pay-Roll.

Make out a pay-roll for this week having given the following particulars: Harold Samson, 8–8½–8–7–6–5, 30c. J. B. Watson, 8–4–5, 30c. (Dismissed Wednesday Noon.) Robert King, 7–7½–8–8–9–8, 35c. Wallace Bruce, 8–8½, 35c. (Reported sick.) James Clark, 7–7½–6½–7–6–5, 40c. K. L. Smith, 6½–7–7–7½–8–8, 40c. John Thompson, 8–8–8–8–8–5, 40c. Robt. Wilkins, 7–7–8–8½–8½–8½–8½, 37c. Donald Supers, 7½–7–7½–8–8–8, 37c. King Hamilton, 8–7–8, 37c. (Absent—no report.) Henry Clarkson, 8–6½–8–3–3½–2½, 42c. Foot up the total wages.

EXERCISE 169. Bank Check.

W. E. Kennedy, commission merchant, Cleveland, O., keeps his money on deposit with the German-American Trust and Title Company. The last check drawn was No. 2498. He owes Oliver Cromwell $113, and gives him a check in payment. Cromwell asks him to write the check so that he may be able to get the money without identification. Write the check as it will appear when paid. Date it to-day.

Supplementary Exercises.

156. How much tea, costing $1.20 a pound, must be mixed with 200 pounds costing 48c. a pound, so that the mixture can be sold for 75c. at a profit of 20 per cent?

157. Find the difference between the simple and compound interest of $2500 for 2½ years at 5 per cent per annum, if the compound interest is compounded semi-annually.

158. Find the largest number of packages, each 4½ in. by 3 in. by 2¼ in., which can be packed in a case the inside measurements of which are 4 ft. 11¾ in. long, 3 ft. wide, and 3 ft. deep.

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LESSON LXXVIII.

By the *price* of a commodity is meant its value estimated in money, or simply the amount of money for which it will exchange. The exchangeable value of commodities depends at any given period partly upon the expense of production and partly upon the relation of supply and demand. Prices are affected by monopoly, by the opening of new markets, by the obstructing of the ordinary channels of commercial intercourse, and by the anticipation of these and other causes. It is the business of the merchant to acquaint himself with every circumstance affecting the prices of the goods in which he deals.

EXERCISE 170. Hardware Invoice.

On October 9, 190—, Baker, Walker & Co., Chicago, sold to Ingram Bros., contractors and builders, 476 Lansdowne Ave., the following articles: 1 Hollow Plane, 45c.; 10 lbs. Wro't Washers, 5/8", 5c.; 8 kegs Nails, 10's, 100 lbs. each, 5c.; 6 kegs Nails, 8's, 100 lbs. each, 5½c.; 2 Hammers, 35c.; 4 Solid Comfort Ranges, $52.50 each; 10 Screen Doors, $1.85 each. The bill is paid at once, and 5 per cent is allowed for cash. Write the invoice and receipt it properly.

EXERCISE 171. Promissory Note.

John Peter Cooper owes Timothy Whitcomb $243.80. He gives a note to cover this amount. The note is dated to-day and is worded as follows: "On December 12, 190— (cross out *after date*), I promise to pay to (cross out *the order of*) Timothy Whitcomb or bearer." Timothy Whitcomb indorses the note with his name, adding the words "without recourse," and gives the note for merchandise to Roderick Dhu, who holds the note until maturity. Write the note with indorsements.

Questions.—When will this note actually mature? What is the advantage to Whitcomb of writing "without recourse" after his indorsement? Was it necessary for Whitcomb to indorse this note to transfer it? If Cooper fails to pay the note will Whitcomb still be liable for the merchandise bought?

Supplementary Exercises.

159. Chas. M. Brown & Co., 42 Tremont Row, Boston, advertised for a young man to assist in office work, and out of fifty-five replies received, they consider Marshall Maxwell's the one most likely to be approved. Maxwell has been in the employ of Samuel Smith & Co., Haymarket Square, and of the Emerson Manufacturing Company, 43 Devonshire St., and he refers Brown & Co. to each of his previous employers. Brown & Co. write to both asking them to tell them in confidence all they can about Maxwell. Write (1) the advertisement, (2) Maxwell's application, (3) one of the two letters of inquiry, (4) a favorable reply to the letter of inquiry, (5) an unfavorable reply to the letter of inquiry.

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LESSON LXXIX.

The accountant's ***ledger*** should be carefully ***indexed.*** It is convenient to have the index book separate from the ledger. The names of the customers should be arranged alphabetically, writing the surname first in each instance, followed by the page of the ledger upon which the account appears. A great deal of indexing can be done by folios and numbers. All vouchers, invoices, and other business papers, should be so carefully and orderly filed that any particular one may be found in a moment.

EXERCISE 172. Ledger Practice. Double Entry.

Directions.—There are several satisfactory methods of keeping partnership accounts. In this set, and in the other partnership sets which follow, open a proprietor's account using the firm name and treat it just the same as though there were an individual owner, that is, credit this account with the firm resources and debit it with the firm liabilities. Then open individual accounts for each partner but make no entries of original investments in these accounts. A partner's individual account should contain particulars of all sums withdrawn by him for private use, and of sums paid from his private funds upon firm accounts. His share of the gain or loss should be carried to his private account, and the difference in closing the books should be a resource if he owes the firm, that is, if he has drawn out more than his gain, or if the firm has lost money, and the difference should be a liability if the firm owes him more (of his gain) than he has withdrawn. When firm accounts are closed in this way the capital or present worth remains the same from year to year, except members of the firm wish to make additional investments. The particulars of the partnership investments should appear in the articles of co-partnership, and need not necessarily be made public in a general ledger open to employes.

Dec. *1.*—Marshall Eaton and Willard Merritt have this day formed a co-partnership under the firm name of Eaton, Merritt & Co., to conduct a wholesale fruit and vegetable business. They each invest cash $2000, and they have no liabilities.

Dec. *3.*—Engaged a buyer at $60 a month. Advanced one-half month's salary and $50 for traveling expenses.

Dec. *4.*—Bought 450 barrels of winter apples from Harold Vincent, Canandaigua, N. Y., at $2.10. Paid cash $475; balance on account. (Mdse.)

Dec. *7.*—Bought 1200 bushels of potatoes from Silas Walker, Batavia, N. Y., at 42½c. Paid cash $225, and gave our note (no grace) at fifteen days with interest at 6 per cent for the balance. (Mdse.)

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Dec. 10.—Sold 420 barrels of apples to Chas. Lawrence & Co., Rochester, at $3.15. Received in payment, cash $712.50; balance on account.

Dec. 12.—Marshall Eaton withdrew for private use cash $37.50.

Dec. 13.—Willard Merritt went to New York for the firm and paid his traveling expenses of $22.35 from his own private funds.

Directions.—Charge Eaton's withdrawal to his own private account. Credit Merritt with the traveling expenses, and charge the expense account.

Dec. 15.—Bought 948 barrels of winter apples from James Parker, East Bloomfield, N. Y., at $2.12½. Gave him cash $932.50, a thirty-day draft on Chas. Lawrence & Co. for $200, balance on account.

Dec. 17.—Sold 980 bushels of potatoes to Kimball Bros., Buffalo, at 87½c. Received in payment a draft on New York for $322.50, a draft at twenty-days sight (accepted) on Chas. Lawrence & Co., Rochester, for $312.15, balance on account.

Dec. 18.—Had Lawrence & Co.'s acceptance discounted at our bank. Proceeds, $302.13, placed to our credit.

Dec. 19.—Willard Merritt withdrew for private use cash $113.75.

Dec. 20.—Sent traveler a check for $69.50, to cover balance of this month's salary and traveling expenses to date.

Dec. 22.—Paid our note, $———, with interest 71c., due to-day by certified check.

Dec. 23.—Accepted Harold Vincent's draft on us at ten-days' sight for $219.87, in favor of Peter Webster, Elmira, N. Y.

Dec. 24.—Sold for cash 722 barrels of apples at $3.62½.

Dec. 26.—Received from Chas. Lawrence & Co. a draft on New York for $75 to apply on account.

Dec. 27.—Issued a check on our bank for $519.37, to pay a private promissory note made by Marshall Eaton and due to-day.

Directions.—This should be charged the same as though Eaton withdrew the amount for his own private use.

Dec. 29.—Paid a freight bill of $49.80 by check (charge to Mdse.).

Dec. 30.—Sold for cash 48 barrels of apples at $3.87½.

Inventory: Apples valued at $3.75 a barrel.
Potatoes valued at 90c. a bushel.

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LESSON LXXX.

EXERCISE 173. Balance Sheet.

Make out a balance sheet to accompany the December set.

EXERCISE 174. Commercial Draft.

Burns, Biddle & Co., of Fort Worth, Texas, owe James Walter Clark, of Denver, $322.10. Clark draws at thirty-days' sight for the amount, making the draft to his own order and indorsing it over to the order of R. W. White & Co., Houston, Texas. White & Co. have the draft discounted at the Texas National Bank. Write this draft including acceptance and indorsements.

Questions.—Follow this draft, in a written note, from the time it leaves Clark's hands until Burns, Biddle & Co. file it away with their receipts and vouchers. If Burns, Biddle & Co. fail to pay the acceptance at maturity, from whom can the bank demand payment? To whom will they apply first?

LESSON LXXXI.

The person who receives a ***promissory note*** in good faith for fair value before the day of maturity, takes it free from all defects of title and from all claims that might be set up against any preceding holder. It is permissible to purposely antedate or postdate negotiable paper. A note having two or more makers is called a ***joint note.*** If written "We jointly and severally promise to pay," each maker is individually liable for the whole amount; if written, "we promise to pay," each is liable for his share. A note written "I promise to pay," and signed by two or more persons is a joint individual note. A note written "I promise to pay J. White *or* H. Brown," would not be considered a good note and neither could collect. The maker's signature in a note must appear in some form upon some part of the paper. It may be affixed by himself or his authorized agent, and it may be the full name or the initials only. The language of the paper must be a distinct promise to pay.

EXERCISE 175. Promissory Note.

George Jaquith and George Donnelly borrow $350 from Robert Craig. They give as security a joint and several note, with interest at 8 per cent, payable at the Tenth National Bank. Dated to-day at four months. Write the note. Mark on it the date of maturity.

Questions.—How much will each be required to pay? Suppose that Donnelly cannot pay anything at maturity, and Jaquith pays his one-half to Craig, how should Craig receipt for Jaquith's payment? How much will be due at maturity?

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EXERCISE 176. Bank Check.

J. R. Wood & Son, Pittsburgh, issue a check, No. 643, on the Northwestern National Bank, for $49.37, payable to the order of William Cowper. Cowper indorses the check for deposit in the Iron City National Bank. Write the check with indorsement. Date to-day.

EXERCISE 177. Credit Memorandum.

Miss Jennie Watson, Fern Hill, Pa., returned to Peterkin & Watson, of West Chester, 3½ yds. of China Silk, charged at 85c. per yard in an order for dry goods placed with them yesterday. Make out a credit memorandum to be given to Miss Watson upon return of the silk. Date to-day

Supplementary Exercises.

160. Face of note, $396.20. Date, Aug. 3 at 3 months. Discounted Aug. 15 at 7 per cent. Find proceeds.

161. Face of note, $846.37. Date, June 19 at 60 days. Discounted July 1 at 6½ per cent. Find proceeds.

162. Face of note, $806.40. Date, May 20 at 90 days. Discounted May 24 at 8 per cent. Find proceeds.

163. Face of note, $726.40. Date, May 3 at 4 months. Discounted June 19 at 7½ per cent. Find proceeds.

LESSON LXXXII.

Small charges of one item often occur in business. These do not require the assignment of a separate ledger account and are usually massed under one heading called ***petty accounts.*** Instead of writing the names of the debtors in the centre over the account, they are placed at the left, upon the debit side, and the payments when credited, are placed at the right, on the corresponding lines. In many business houses a ***petty cash*** book is kept. A sum large enough to meet incidental expenses is taken from the bank and charged to ***petty cash*** in the general cash book. All small expenses are paid out of this fund, and the items are entered in the petty cash book, which is really an expense book or rather an expense account in the form of a book.

EXERCISE 178. Steamship Freight Bill.

Hugh Campbell & Co., 48 Union St., Boston, have shipped to the Philadelphia Shoe Company, 99 S. Sixth St., Philadelphia, 6 cases of Eureka Patent Uppers, weighing 240 lbs. each. The freight rate is 70c. per 100 lbs. No charges have been paid in Boston. There is a storage charge of $1.50. Make out the freight bill and receipt it for the agent per Philip Freighthandler. Date to-day. Trip No. 385.

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EXERCISE 179. Railway Freight Bill.

Charles Lawrence & Co., 60 Commerce St., Boston, ordered from Samuel Peterson, Syracuse, N. Y., 100 barrels of apples. They weigh 180 lbs. each and were shipped via Albany in W. S. car No. 4904. The freight rate is 25 cents per 100 lbs. Make out freight bill, adding $1.35 demurrage. Progressive No. 5643. Way-bill 1048, dated five days ago. Receipt the bill for B. & A. Railroad, per Benj. Prompt.

Supplementary Exercises.

164. Invoice: Gross amount, $3498.42, with 40, 5 and 2½ off. Find net amount.

165. Invoice: Gross amount, $8042.37, with 30, 5 and ½ off. Find net amount.

166. Invoice: Gross amount, $7204.35, with 25, 2½ and 1 off. Find net amount.

167. Invoice: Gross amount, $2146.34, with 10, 5 and 2 off. Find net amount.

168. Invoice: Gross amount, $1002.04, with 50, 2½ and ¼ off. Find net amount.

LESSON LXXXIII.

EXERCISE 180. Manufacturer's Pay Roll.

Directions.—Many large houses pay off their employes by handing to each either directly or through the heads of departments, an envelope containing the exact amount due. If the proper change has been procured from the bank, and the largest bills and coins possible have been put in the envelopes, the cash should be neither over nor short when all the envelopes are filled. If, for instance, there is a 25-cent piece over, it is evident that some employe's envelope is short 25 cents; if there is not change enough, some envelope has too large a sum in it.

Make out a *pay-roll* for the week ending August 18, 190—, having given the following particulars: John Summer, 8–7–8–7–8–8, 45c., $2 advanced. H. G. Hamilton, 9–8–7½–7–7–6, 50c. John H. Kindall, 6–6–6–7–7–6, 55c., $3 advanced. Chas. Palmer, 4½–4–3–9, 52c. (Reported ill.) Walter Palmer, 7–7–8–9–9–8, 48c. Miss Sarah Walker, 7–7–7–7–7–7, 38c., $2 advanced. Miss Mary Williams, 8–7–8–8–7–7, 38c. Miss Nellie Smith, 7–7–7–7–7–7, 36c. Miss Harriet Griffith, 7–7–7–8–7–7, 38c. Miss Helen Brooks, 7–7–7–7–7–6, 38c. Charles Arlington, 8–8–2½, 48c. (No report.) William Jones, 8–8–8–8–7–8, 52c. George Wheeler, 8–8–8–4–4–8, 50c. Enter the bills and silver necessary.

EXERCISE 181. Bank Check.

Thomas R. Walmsley keeps his money on deposit in the Farmers' Bank, Baltimore. The last check drawn was No. 2136. He writes a check for $2000 in favor of Chas. F. Snelgrove, Meaford, Ont. To protect the check against any possible change of figures he writes the amount "two thousand" in words and in red ink across the face of the check. He places a neatly ruled (red ink) line above and below the words "two thousand" written across the face. The check is sent by mail to Snelgrove who indorses it for deposit, and mails it to the Bank of Commerce, Toronto. This bank forwards it through the usual channels for collection. Write the check with indorsement.

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Supplementary Exercises.

169. Find in American currency the duty on a shipment of linens from Ireland, invoiced at £426 12*s.* 9*d.*, at 35 per cent. Exchange $4.87.

170. An insolvent debtor's assets are $9364.20; his liabilities are $18,624.50, of which $1268.20 represents preferred claims. How much can he pay on the dollar?

LESSON LXXXIV.

The ***commerce*** of a country depends very largely upon (1) its natural products, (2) the skill and enterprise of its inhabitants in manufacturing, (3) its domestic and foreign carrying trade. The history of commerce is really the history of civilization,—the history of human wants, and how they have been satisfied.

EXERCISE 182. Furniture Invoice.

Messrs. Brown & Burns, Lancaster, Pa., ordered from The E. R. Holman-Kreichler Company, Philadelphia, the following bill of goods: 15 rolls Tapestry, 160 yds. each, at 62½c.; 6 rolls Brussels, 140 yds. each, at 78¼c.; 160 yds. Moquette, at $1.45; 12 Persian Rugs, 6 × 9, $11.25 each; 12 Turkish Rugs, 4½ × 7, $9.25 each; 500 yds. Matting, at 45c.; 100 yds. Linoleum, at 27½c. Discount of 2½ per cent allowed. Make out this invoice.

Supplementary Exercises.

171. In an invoice which you have received from a wholesale house, you find, after you have honored a draft for the face of the invoice, an error in addition which makes the charge $15 too much. Write a letter to the wholesale house calling their attention to the matter.

172. Write a letter to an out-of-town customer who is very much behind with his payments, asking the reason, and urging an early settlement.

LESSON LXXXV.

It is interesting to note the use made of commercial ***drafts*** in connection with ***bills of lading.*** For instance, the live cattle are paid for in Texas by the proceeds of a draft, with bill of lading attached, upon Chicago, where they are slaughtered. Bills of lading for the dressed meat shipped East are accompanied by drafts on New York, and the shipment per steamer to Liverpool or Glasgow is drawn against, in sterling, upon London. The latter draft is sold to a New York banker, who in turn draws against it in favor of merchants who are buying foreign exchange.

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EXERCISES 183 and 184. Bill of Lading and Draft.

Hugh Cleland, New York, shipped by N. Y. O. & W. Ry., to Utica, N. Y., 25 bundles Leatherette, ordered by Lehigh Shoe Co. Each bundle is marked ***L. S. Co.***; weight 140 pounds per bundle; rate 47 cents per 100 pounds, first class. Cleland draws on Lehigh Shoe Co. for $120, and sends the draft, with bill of lading attached, to Utica Citizens' Bank for collection. Make out the bill of lading and the draft. Sign the bill for J. R. Lindsay, Agent.

Supplementary Exercises.

173. On goods invoiced at £144 14*s.* 6*d.*, the duty was 20 per cent; on another lot invoiced at £203 16*s.* 8*d.*, the duty was 25 per cent; and on another lot invoiced at £96 13*s.* 3*d.*, the duty was 12½ per cent. Find the entire duty in United States currency. (Exchange $4.87.)

174. If sterling exchange is quoted at $4.84, and exchange in London or Frankfort is at 20.25 marks per pound, what should a bill of 3800 marks be worth in New York?

LESSON LXXXVI.

When a merchant decides that a particular customer is exceeding a ***safe basis of credit,*** he must discontinue selling goods, except for cash, to this customer until the indebtedness is reduced. To find the exact indebtedness the outstanding notes must be considered with the balance due on open account. To estimate the standing and reliability of a customer, the merchant must note, *first*, whether bills are paid promptly as they become due; *secondly*, the condition and disposition of notes previously received on account. A customer's credit may under ordinary conditions be considered doubtful if he finds it necessary to *renew* his bills payable.

EXERCISE 185. Retail Double Entry Ledger.

Note.—See the directions given in connection with Exercise 109. The items given in the following exercise are taken from the ledger of a country merchant.

Sales.—Sold John Farmer, Epping, O., as follows: *June 1* (p. 7), 13 lbs. Sugar, $1.00; 3 lbs. Raisins, 45c.; 2 prs. Binding Gloves, 80c.; 2 Rakes, 60c.; 2 lbs. Tea, 70c. *June 3* (p. 13), 6 pkgs. Oat Meal, 72c.; 5 yds. Flannel, $1.50. *June 6* (p. 18), 2 Flannel Shirts, $1.60; 2 Scarfs, 40c. *June 11* (p. 24), 6 lbs. Brown Sugar, 36c.; 3 oz. Nutmeg, 24c. *June 12* (p. 26), 2 Tin Pails, 30c. 2 Tin Dippers, 24c.; 1 Wash-tub, 60c. *June 17* (p. 38), 12 yds. Dress Goods, $10.80; 6 spools Thread, 36c.; 2 doz. Buttons, 40c. *June 20* (p. 43), 1 Umbrella, $1.40; *June 22* (p. 49), 2 lbs. Coffee, 70c. *June 23* (p. 50), 2 Pitch Forks, $1.50; 1 Lawn Mower, $6.50. *June 26* (p. 57), 3 cans Tomatoes, 36c.;

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1 Lem. Extract, 20c. *June 30* (p. 62), 2 prs. Shoes, $3.00. *July 2* (p. 68), Case of Fireworks, $3.00; 2 lbs. Raisins, 30c. *July 5* (p. 72), 1 bot. Cod Liver Oil, 85c.; 13 lb. Sugar, $1.00. *July 7* (p. 75), 3 bot. Bluing, 75c.; 2 lbs. Tea, 70c.; 3 qts. Vinegar, 30c.; 2 gal. Molasses, 60c. *July 12* (p. 88), 5 gal. Kerosene, 65c. *July 17* (p. 93), 1 Scythe, $1.60; 1 Rake, 25c. (Note that the total prices and not the prices per pound, etc., are given.)

Credits.—John Farmer is credited with the following payments: *June 17* (p. 38), Cash, $10. *June 20* (p. 43), 12 doz. Eggs at 13c. *June 30* (p. 62), 1 tub Butter, 56 lbs., at 18c. *July 27* (p. 93), Cash, $5. The account should show the balance due July 1 and also August 1.

Supplementary Exercises.

175. Gross invoice, $2468.20. Discounts, 30, 20 and 5 off. Find net amount.

176. Gross invoice, $1004.95. Discounts, 40, 2½ and ½ off. Find net amount.

177. Gross invoice, $9999.99. Discounts, 33⅓, 3⅓ and ⅓ off. Find net amount.

LESSON LXXXVII.

The true ***par of exchange*** is the value of the standard coin unit of one country estimated in the coinage of another. The premium or discount on drafts is called the ***course of exchange,*** and depends upon the relative values of imports and exports between countries. If New York is in debt to London, that is, if London banks hold more drafts on New York than New York banks hold on London, then exchange on London is at a premium in New York. The reason for this lies in the fact that each additional draft sold in New York on London indicates that the amount of the draft in actual gold coin or bullion must be shipped to London at the New York bank's expense to meet the draft. Gold is always shipped to cover the balance due and each additional London draft sold in New York increases the balance. If the balance is in favor of New York, gold must be shipped from London to meet it; then of course exchange on London is at a discount in New York. Payments for merchandise imported into the United States are made by drafts against merchandise exported abroad, and when these do not off-set each other the difference causes an advance or decline of the rate of exchange. The rate of exchange between countries can never vary much from the cost of transporting coin between them, for if the price of exchange is higher than the cost of shipping gold, the merchant will

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save money by shipping the coin himself in payment of his foreign accounts. Foreign drafts are negotiated through bankers who make it a specialty of their business, and these drafts finally come for settlement to London, the principal ***clearing house of the world.***

EXERCISE 186. Daily Cash Balance Book.

Note.—The student is referred to the directions given in connection with Exercise 123.

Items.—*May 1.*—Balance on hand (bank, $904.37; safe, $269.34), $———; cash sales of merchandise, $485.24; bills receivable discounted, $943.20; proceeds, $921.36; personal accounts received per cash book, $428.40; personal accounts paid per check book, $409.60; sundries paid by check, $37.40; from safe per petty cash book, $8.24; deposited, $904.65. *May 2.*—Balance on hand, $———; cash sales of merchandise, $639.22; personal accounts received per cash book, $542.30; personal accounts paid per check book, $603.47; sundries paid by check, $73.24; from safe per petty cash book, $19.24; Mr. Weed (partner) withdrew for private use from safe, $125; deposited, $962.41. *May 3.*—Balance on hand, $———; cash sales of merchandise, $549.84; bills receivable discounted, $719.43; proceeds, $691.42; personal accounts received per cash book, $901.22; bills payable charged to our account in the bank, $702.45; personal accounts paid per check book, $91.42; rent paid per check book, $150; sundries paid by check, $38.25; from safe per petty cash book, $7.32; deposited, $1304.27. *May 4.*—Balance on hand, $———.

Supplementary Exercises.

178. Write an order on a merchant for $25 worth of goods to be given to a friend whom you name and to be charged to your account.

179. Write a due bill in favor of a carpenter who has put in some shelving valued at $20, payable in goods from your store.

LESSON LXXXVIII.

When goods are received to be sold on commission a ***consignment*** account is opened for each particular lot, as "Brown's Consignment, No. 1," "Smith's Consignment, No. 3," etc. When goods are shipped to be sold on commission a ***shipment*** account is opened for each particular lot, as "Shipment to Jones & Co.," "Shipment to Wells & Co.," etc. The person who ships the property is called the *consignor*, and the person who receives the property is called the *consignee*. The student will note carefully the following general rules for charging and crediting shipments and consignments, and the expenses and commissions connected therewith.

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1. Charge (debit) the shipment with the cost of the goods and expenses.
2. Credit the shipment with the net proceeds when received.

Note.—The difference, or balance of the amount, shows your gain or loss on the shipment.

3. Charge (debit) the consignment with all charges which you have to pay.
4. Credit the consignment with all sales made from it.
5. Charge (debit) the consignment with your commission on the sales.

Note.—The difference, or balance of the account, shows the net proceeds due the consignor.

6. Charge (debit) the consignment with the net proceeds when you make payment.

EXERCISE 187. Ledger Practice. Double Entry.

Note.—This is a partnership commission set. The student will note carefully the instructions already given for keeping partnership accounts.

***Jan.* 1.**—Robert and Charles Stevenson have this day formed a copartnership under the firm name of Robert Stevenson & Bro., to conduct a commission and jobbing business in general produce. Each invested cash $1250. Henry Quick & Co., Lancaster, Pa., owes Robert Stevenson, on account, $137.48, and John Push holds a note due January 10 for the same amount against Charles Stevenson. Both accounts are assumed by the partnership, the one as a resource and the other as a liability.

***Jan.* 2.**—Rented a warehouse and paid the first month's rent by check, $125.

***Jan.* 3.**—Bought for cash 300 bbls. apples at $2.25.

***Jan.* 5.**—Shipped 250 bbls. apples to R. M. Brown & Co., to be sold on our account and risk. Paid insurance, $5.30, and drayage, $13.50, in cash.

***Jan.* 7.**—Received from Henry R. King & Co., to be sold on their account and risk, 485 bus. potatoes at 67c.; 48 bbls. onions at $5.35; 365 bbls. apples at $2.15; 193 bbls. sweet potatoes at $1.50. Paid freight, $93.45, and drayage, $32.20, in cash.

***Jan.* 10.**—Paid our note due to-day in cash.

***Jan.* 11.**—Sold 485 bus. potatoes, from King & Co.'s consignment, for cash, at 90c.

***Jan.* 12.**—Sold Charles Anderson & Co., for cash, all the apples on hand (415 bbls.), at $3.25, 18 bbls. onions at $8.37½, 47 bbls. sweet potatoes at $1.90.

***Jan.* 14.**—Received from Walter White, to be sold on his account and risk, 684 bus. potatoes at 79c. Paid freight, $47.25 in cash.

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Jan. 15.—Received a check from Henry Quick & Co. in full of account.

Jan. 17.—Received on account sales from R. M. Brown & Co. They enclose their check for $723.40, to cover the net proceeds.

Jan. 18.—Sold Bruce Walker & Co., 30 bbls. onions at $7.60; 146 bbls. sweet potatoes at $2.12; 420 bus. potatoes at 98c. Received in payment cash $625; balance on account.

Jan. 22.—Paid office expenses in cash, $47.35.

Jan. 23.—Robert Stevenson withdrew for private use cash $122.35.

Jan. 24.—Rendered Henry R. King & Co. an account sales. Deducted our commission of 10 per cent and additional expenses of consignment, $4.95. Enclosed our check for the net proceeds, $———.

Jan. 27.—Drew on Bruce Walker & Co., at twenty days' sight, for the balance of their account, and had draft discounted in our bank. Discount, $7.25. Proceeds placed to our credit. (Draft honored.)

Jan. 29.—Sold for cash 264 bus. potatoes, from White's consignment, at $1.05.

Jan. 30.—Rendered an account sales to Walter White. Deducted our commission of 10 per cent, and enclosed a draft on New York for the net proceeds, $———.

Jan. 31.—Paid office expenses in cash, $32.15.

EXERCISE 188. Commission Merchant's Order Slip.

Make out the order slip for the sale made Jan. 12 to Charles Anderson & Co. (Exercise 187.) Sold by R. S. No. 246.

EXERCISE 189. Commission Merchant's Account Sales.

Write up the account sales to be rendered Henry R. King & Co. No. 426. (Exercise 187.) Produce was received per steamer "Delaware."

EXERCISE 190. Commission Invoice.

Make out the invoice for King & Co. to accompany their shipment of Jan. 2, received Jan. 7. (Exercise 187.) Steamer "Delaware."

EXERCISE 191. Bank Check.

Write the check (Exercise 187) received from Henry Quick & Co. January 15. Date it January 13. Indorse the check for deposit.

EXERCISE 192. Balance Sheet.

Make out a balance sheet to accompany the January set (Ex. 187).

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EXERCISE 193. Commercial Draft.

Chas. Emerson & Co., 450 Missouri Ave., St. Louis, owe Frank French & Co., New Orleans, $843.20. French draws at thirty days' sight for the amount in favor of Ward McKay, 409 Michigan Ave., Chicago, and mails the draft to McKay to apply on account. McKay has the draft discounted at the First National Bank, Chicago. Write the draft with indorsement.

LESSON LXXXIX.

The advantages to the public of our ***national banking system,*** briefly summed up, are as follows: *first*, the issue and circulation of a national currency of uniform value; *second*, perfect security to the holders of bills by the pledge of the United States.

A ***bank statement*** is a balance-sheet of the bank's main ledger, and is sworn to by the cashier and attested by several of the directors; it is published at the time of its making in the local newspapers. The ***resources*** in such a statement usually consist of items due from other financial institutions, bank-bills and specie on hand, bonds deposited with the U. S. Treasurer; loans and discounts consisting of discounted notes, drafts, etc., owned and held by the bank and which are maturing and being paid in from day to day; real estate, etc. The ***liabilities*** consist of the accounts due depositors and other banks; outstanding circulation of bank-notes; undivided profits; surplus fund; original capital stock, etc.

EXERCISE 194. Printer's Order Book.

Prepare a list of nine imaginary orders similar to those given in Exercise 131, and write up the order book, entering all necessary particulars.

EXERCISE 195. Promissory Note.

On February 13, 190—, Dombey and Son gave Guy Mannering a two-months' note for $243, payable at the Faneuil Hall Bank. Mannering holds the note until maturity, when Dombey & Son make a cash payment of $45. This payment is receipted on the note. On May 5 an additional payment of $60 is made and receipted for. On May 25 Mannering transfers the note without becoming liable for its payment to Silas Wegg. On June 15 Wegg collects the amount due, including interest at 6 per cent from maturity. Write the note with indorsements.

Questions.—How much will Wegg collect? What are the advantages, if any, of holding a note already matured rather than in taking a renewal?

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LESSON XC.

It is entirely unsafe to send a check or draft ***indorsed in blank*** through the mails. Such a check or draft is payable to bearer. When buying a draft on New York, or other city, have the draft made out to your order and then indorse it payable to the order of the person to whom you are sending it. It will then contain the evidence in itself that it passed from you to the person to whom you wish to pay the money.

A ***check*** is designed for immediate presentation and not for circulation; the holder, therefore, should present it for payment as soon as he reasonably can, and if he does not, the retention is at his own risk, and if a loss occurs in consequence of his neglect, the check will operate as payment. But delay in presentation does not usually discharge the drawer. Sometimes checks are ***post-dated.*** The object of thus dating them, obviously, is to obtain delay in making payment.

EXERCISE 196. Commercial Draft.

Frederic Baugher, of 409 Devonshire St., Boston, draws on Peter Caldwell & Co., 406 University Ave., Indianapolis, at sixty days' sight for one thousand dollars. The draft is drawn in favor of Wallace Dill as an accommodation to Baugher, who has the draft, with Dill's indorsement, discounted at the Hub National Bank. Date to-day. Write the draft as it will appear when paid, Caldwell having accepted the draft (five days after date) making it payable at the Hoosier National Bank.

EXERCISE 197. Commercial Draft.

Parke Schoch draws at sight on Carl Lewis Altmaier, 46 Capitol St., Harrisburg, Pa., for $450. The draft is dated to-day and is payable to the order of W. H. Wheeler, Pen Yan, N. Y. Write the draft as it will appear when paid.

EXERCISE 198. Bank Draft.

The Citizens' National Bank of Media, Pa., sell a draft on Philadelphia (No. 4986) for $7.35 to Miss Jeanie Goodspeed. Miss Goodspeed indorses the draft making it payable to Mrs. Charles Edgarson, 42 West Ave., Germantown. The cashier's name is George Washington. Write the draft. Date to-day.

Supplementary Exercises.

180. A grocer's cash prices are 5 per cent lower than his three months' credit prices. For cash he sells 12½ lbs. of sugar for $1.00. How many pounds should he sell for $1.00 on three-months' credit?

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181. An agent receives $36,270 with which to purchase grain after deducting his commission of ¾ per cent of the sum actually invested. Find his commission.

182. What must be the face of a note for 90 days, which, when discounted at a bank at 7 per cent, will pay a bill of $524.98?

LESSON XCI.

EXERCISE 199. Telegraphic Order.

The Avil Printing Company, 3943 Market St., Philadelphia, order by telegraph from the Hollingswood & Whiting Co., Boston, to be forwarded by express, 5000 paper bags, grade A, 4000 paper bags, grade C, and 2000 paper bags, grade D. Write the telegram. Do not exceed ten words.

EXERCISE 200. Paper Invoice.

Write the invoice to accompany the paper bags ordered (Exercise 199) by The Avil Printing Company. Grade A costs $12.50 per M grade C costs $9.25 per M, and grade D costs $7.50 per M.

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